

P-W

EASTERN 721 ANCON SANTA FE  
SE NW 31-20N-28E APACHE CO. 234

sl

COUNTY Apache AREA 8 mi S/Chambers LEASE NO. Ancon Santa Fe Fee  
 WELL NAME (Apache Only 2-6-68) E. Nuevo Springs Field  
Eastern Petroleum Company #21 Ancon-Santa Fe  
 LOCATION SE NW SEC 31 TWP 20N RANGE 28E FOOTAGE 1650' FNL 1650' FWL  
 ELEV 5832' GR KB SPUD DATE 6-21-63 STATUS HP TOTAL 1361'  
5853 GL determined by USGS per JNC) COMP. DATE 9-13-63 DEPTH 1330'

CONTRACTOR

CASING SIZE	DEPTH	CEMENT	LINER SIZE & DEPTH	DRILLED BY ROTARY
2 7/8"	1330'	85 sx	NA	x
7"	228	20		

DRILLED BY CABLE TOOL  
 PRODUCTIVE RESERVOIR Shinarump  
 INITIAL PRODUCTION 3 MCF/D AOF

FORMATION TOPS	DEPTHS	SOURCE		REMARKS
		L.L.	E.L.	
Coconino	1326'		x	

ELECTRIC LOGS	PERFORATED INTERVALS	PROD. INTERVALS	SAMPLE LOG
Perforation; IE	1172-1193 (Shinarump)	1172-1196	SAMPLE DESCRP.
			SAMPLE NO. <u>1248</u>
			CORE ANALYSIS
			DSTs <u>1</u>
REMARKS <u>Top Coconino 1326' AOF - 172 MCF/D 11-3-67</u>			APP. TO PLUG <u>x</u>
<u>8.71% Helium (10-31-67)</u>			PLUGGING REP. <u>x</u>
<u>Certificate of Compliance approved 2-7-68</u>			COMP. REPORT <u>x</u>

WATER WELL ACCEPTED BY \_\_\_\_\_

BOND CO. U. S. F & G. BOND NO. 27716-13-3983-65  
 BOND AMT. \$ 25,000 CANCELLED \_\_\_\_\_ DATE \_\_\_\_\_  
 FILING RECEIPT 9334 LOC. PLAT x ORGANIZATION REPORT 9-15-69  
 API NO. \_\_\_\_\_ DATE ISSUED 8-6-63 WELL BOOK x PLAT BOOK x  
 DEDICATION All

PERMIT NUMBER 234

(over)

NO.	FROM	TO	RESULTS
1	1174	1194	Rec 200' DM

REMEDIAL HISTORY			
DATE STARTED - COMPLETED		WORK PERFORMED	NEW PERFORATIONS

[illegible]

# WELL COMPLETION OR RECOMPLETION REPORT AND WELL LOG

DESIGNATE TYPE OF COMPLETION:

New Well ☐ Work-Over ☐ Deepen ☐ Plug Back ☐ Same Reservoir ☐ Different Reservoir ☐ Oil ☐ Gas ☒ Dry ☐

## DESCRIPTION OF WELL AND LEASE

Operator Eastern Petroleum Company		Address P. O. Box 291, Carmi, Illinois	
Federal, State or Indian Lease Number or name of lessor if fee lease Eastern-Ancon-Santa Fe Fee		Well Number 21	Field & Reservoir Wildcat
Location 1650' S of NL; 1650' E of WL		County Apache	
Sec. TWP-Range or Block & Survey 31-20N-28E			
Date spudded 6-21-63	Date total depth reached 8-8-63	Date completed, ready to produce 9-13-63	Elevation (DF, RKB, RT or Gr.) 5832 Gr. feet
Total depth 1361	P.B.T.D. 1330	Single, dual or triple completion? Single	Elevation of casing hd. flange feet
Producing interval (s) for this completion		Rotary tools used (Interval) 0 - 1361	Cable tools used (Interval)
Was this well directionally drilled? No	Was directional survey made?	Was copy of directional survey filed?	Date filed
Type of electrical or other logs run (check logs filed with the commission) Electric & perforating			Date filed

## CASING RECORD

Casing (report all strings set in well—conductor, surface, intermediate, producing, etc.)

Purpose	Size hole drilled	Size casing set	Weight (lb./ft.)	Depth set	Sacks cement	Amt. pulled
Surface	8 5/8	7"		228	20	-0-
Long string		2 7/8		1330	85	-0-

## TUBING RECORD

## LINER RECORD

Size in.	Depth set ft.	Packer set at ft.	Size in.	Top ft.	Bottom ft.	Sacks cement	Screen (ft.)
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## PERFORATION RECORD

## ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

Number per ft.	Size & type	Depth Interval	Amt. & kind of material used	Depth Interval
		1173-93 1"		

## INITIAL PRODUCTION

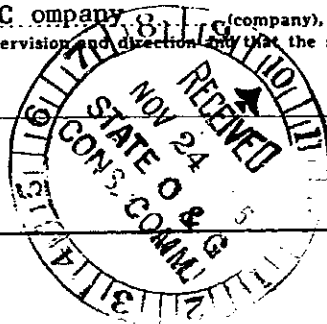
Date of first production		Producing method (indicate if flowing, gas lift or pumping—if pumping, show size & type of pump:) Flowing					
Date of test 10-5-63	Hrs. tested	Choke size .093	Oil prod. during test bbls.	Gas prod. during test 3 MCF	Water prod. during test bbls.	Oil gravity ° API (Corr.)	
Tubing pressure	Casing pressure	Cal'd rate of Production per 24 hrs. 3 MCF	Oil bbls.	Gas MCF	Water bbls.	Gas-oil ratio	

Disposition of gas (state whether vented, used for fuel or sold):  
Shut-in

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the.....Secretary.....of the  
Eastern Petroleum Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Date  
November 22, 1965

Signature



Permit No. 234

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION  
Well Completion or Recompletion Report and Well Log  
Form No. 4  
File One Copy

DETAIL OF FORMATIONS PENETRATED			
Formation	Top	Bottom	Description*
			<p>Completed in Shinarump - 1174-94</p> <p>DST - 1174-1194            Tool opened with a strong blow which continued throughout test. Took a 30 min. final closed in pressure. Recovered 200' of drilling mud.</p>

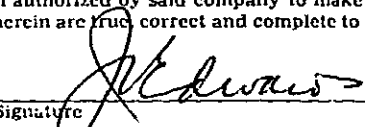
\* Show all important zones of porosity, detail of all cores, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.

**INSTRUCTIONS:**

Attach drillers log or other acceptable log of well.

This Well Completion or Recompletion report and well log shall be filed with the State of Arizona Oil & Gas Conservation Commission not later than thirty days after project completion.

Form No. 4

PLUGGING RECORD					
Operator <b>Eastern Petroleum Company</b>			Address <b>P. O. Box 291, Carmi, Illinois 62821</b>		
Federal, State, or Indian Lease Number, or lessor's name if fee lease. <b>Santa Fe Fee</b>		Well No. <b>21</b>	Field & Reservoir <b>East Navajo Springs</b>		
Location of Well <b>1650 FNL; 1650 FWL</b>		Sec-Twp-Rge or Block & Survey <b>31-20N-28E</b>		County <b>Apache</b>	
Application to drill this well was filed in name of <b>Eastern Petroleum Company</b>		Has this well ever produced oil or gas <b>Yes</b>		Character of well at completion (initial production): Oil (bbls/day) <b>-0-</b> Gas (MCF/day) <b>3</b> Dry? <b></b>	
Date plugged: <b>1-10-75</b>		Total depth <b>1361'</b>		Amount well producing when plugged: Oil (bbls/day) <b>-0-</b> Gas (MCF/day) <b>-0-</b> Water (bbls/day) <b>-0-</b>	
Name of each formation containing oil or gas. Indicate which formation open to well-bore at time of plugging		Fluid content of each formation		Depth interval of each formation	
				Size, kind & depth of plugs used. Indicate zones squeeze cemented, giving amount cement	
				Pumped cement top to bottom	
CASING RECORD					
Size pipe	Put in well (ft.)	Pulled out (ft.)	Left in well (ft.)	Give depth and method of parting casing (shot, ripped, etc.)	Packers and shoes
7"	228'	-0-	228'		
2 7/8"	1330'	320'	1010'	Ripped	
Was well filled with mud-laden fluid, according to regulations? <b>Yes</b>				Indicate deepest formation containing fresh water.	
NAMES AND ADDRESSES OF ADJACENT LEASE OPERATORS OR OWNERS OF THE SURFACE					
Name		Address		Direction from this well:	
<b>Santa Fe</b>				<b>All</b>	
In addition to other information required on this form, if this well was plugged back for use as a fresh water well, give all pertinent details of plugging operations to base of fresh water sand, perforated interval to fresh water sand, name and address of surface owner, and attach letter from surface owner authorizing completion of this well as a water well and agreeing to assume full liability for any subsequent plugging which might be required.					
Use reverse side for additional detail.					
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>Secretary</u> of the <u>Eastern Petroleum Company</u> (company) and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.					
Date <b>April 15, 1975</b>		Signature 			
<b>RECEIVED</b>  <b>APR 16 1975</b>  <b>O &amp; G CONS. COMM.</b>			<b>STATE OF ARIZONA</b> <b>OIL &amp; GAS CONSERVATION COMMISSION</b> Plugging Record File One Copy		
Permit No. <b>234</b>		Form No. 10			

# APPLICATION TO ABANDON AND PLUG

FIELD Wildcat  
 OPERATOR Eastern Petroleum Co. ADDRESS Box 291, Carmi, Illinois 62821  
 Federal, State, or Indian Lease Number \_\_\_\_\_ WELL NO. 21  
 or Lessor's Name if Fee Lease Santa Fe Fee  
 SURVEY 20N-28E SECTION 31 COUNTY Apache  
 LOCATION 1650 FNL, 1650 FWL

TYPE OF WELL Gas TOTAL DEPTH 1361'  
 (Oil, Gas or Dry Hole)  
 ALLOWABLE (If Assigned) \_\_\_\_\_  
 LAST PRODUCTION TEST OIL \_\_\_\_\_ (Bbls.) WATER \_\_\_\_\_ (Bbls.)  
 GAS \_\_\_\_\_ (MCF) DATE OF TEST \_\_\_\_\_  
 PRODUCING HORIZON \_\_\_\_\_ PRODUCING FROM \_\_\_\_\_ TO \_\_\_\_\_

## 1. COMPLETE CASING RECORD

7" sfc. csg. @ 228'  
2 7/8" tubing @ 1330'

## 2. FULL DETAILS OF PROPOSED PLAN OF WORK

Expect to recover approx. 1300' 2 7/8" tubing & no sfc. csg.

Cement plugs 1174-1124; 228-178; 20-0

Fill intervals with heavy mud & erect regulation dry hole marker

If well is to be abandoned, does proposed work conform with requirements of Rule 202? Yes If not, outline proposed procedure above.

DATE COMMENCING OPERATIONS September

NAME OF PERSON DOING WORK Wayne Carr ADDRESS Wichita Falls, Texas

CORRESPONDENCE SHOULD BE SENT TO J. N. Edwards

Name

Secretary

Title

P. O. Box 291, Carmi, Illinois 62821

Address

August 30, 1974

Date

Date Approved 9-9-74

STATE OF ARIZONA  
 OIL & GAS CONSERVATION COMMISSION

By: [Signature]

Permit No. 234

STATE OF ARIZONA  
 OIL & GAS CONSERVATION COMMISSION  
 Application to Abandon and Plug  
 File Two Copies

Form No. 9

RECEIVED

SEP 03 1974

O & G CONS. COMM.

Peak Petroleum Company - New Mexico - Arizona Land Company

Navajo No. 1, Section 35, T 21 N, R 18 E  
Navajo No. 2, Section 27, T 20 N, R 17 E

GENERAL REVIEW AND CONCLUSIONS

1. No shows of oil and/or gas were found in the above described wells in penetrating the geologic section from respectively 410' and 433' above the base of the Triassic Chinle formation and to a depth 520' and 35' respectively into the Permian Coconino sandstone.

2. The upper objective horizon, the Triassic Shinarump sandstone, was found to be well developed and to offer favorable reservoir conditions at both test sites. The porosity of the sand body is good to excellent and the permeabilities are considered to be fair to good contingent on the degree of interstitial cementation by clay within the sand. The Shinarump was completely dry in the Peak Petroleum No. 1 well, but gave up fresh water in the Peak Petroleum Company No. 2 well.

The lower and principal objective horizon, the Permian Coconino sandstone, exhibited excellent porosity and permeability and is considered to be a very good reservoir type rock. In the Peak Petroleum Company No. 1 test, the upper 520' of this formation was completely dry, although in the lowermost 50' of this interval there was a slight dampening of the sand body which suggested that at total depth the well bore was approaching the water table in the formation. Direct analysis of the fluid content was possible in the No. 1 well as the entire section was drilled using compressed air for circulatory media. In the Peak Petroleum Company No. 2 test, drilling mud was employed as circulatory media in drilling into the Coconino. A drill stem test was run in the upper 6' of the sand body with no recovery of oil and/or gas or water. Considering the excellent horizontal and vertical permeabilities of the Coconino and the excellent porosity within the sand body, it is indicated that any gas endemic to the formation with a high specific gravity should migrate upward through the sand body and ultimately to the high point of a suitable structural trap. Considering this, both wells adequately tested the Permian Coconino sandstone with negative results.

*Probably  
formation  
300'*

3. Based on Coconino water wells which have been drilled off structure to the west and southwest of the subject wells, a water table of approximately 4850' above sea level is indicated within the formation. Assuming a uniform regional water table in the region, water should have been found in the Peak Petroleum Company No. 1 well at 5' below the top of the formation. In the No. 2 well there should have been sufficient hydrostatic pressure to lift a fluid column approximately 430' above the top of the formation. Since the formation is dry for a considerable distance below the top of the Coconino in the No. 1 well and dry near the top of the formation in the No. 2 well, it is indicated that the water table is regionally tilted Basinward. From the nearest water table control in T 20 N, R 16 E, a tilted water table of slightly less than one half of one degree is necessary to place the water table below the total depth of the No. 1 well, and a tilted water table of less than one and one half degrees is necessary to put the water table below the zone tested in the No. 2 well.

Page Two - Peak Conclusions

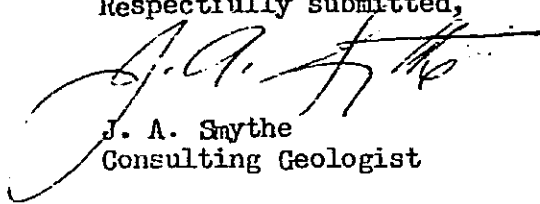
4. The absence of a suitable water drive mechanism within the Coconino is not favorable for hydrocarbon accumulation in the structural features in the area. If the theory is accepted that high concentrations of helium and other allied inert gases have been brought and deposited in suitable structural traps by the migration of ground waters through and in proximity to uraniferous sediments, the absence of a full water column within the Coconino is not desirable for helium rich gas accumulation in the area of interest.

5. The geologic structure of both the Ives Dome Prospect and the Painted Desert Anticline as mapped by Mr. Silas C. Brown is believed to be accurate. Both features merited a Coconino test as they were previously undrilled and since previous data did not indicate an irregularity in the water drive mechanism within the objective horizon. Based on surface work, the Peak Petroleum Company No. 2 well situated on the Painted Desert Anticline should have been approximately 345' lower structurally than the Peak Petroleum No. 1 well location on Ives Dome. The actual structural difference at the top of the Coconino was 425'. Most of this difference can be attributed to the thickening of the Triassic section in the six and one half miles between the wells.

CONCLUSION:

The Peak Petroleum Company - New Mexico - Arizona Land Company No. 1, Section 35, T 21 N, R 18 E and the Peak Petroleum Company - New Mexico - Arizona Land Company No. 2, Section 27, T 20 N, R 17 E respectively tested the Permian Coconino on Ives Mesa Dome and the Painted Desert Anticline. No shows of oil and/or gas were encountered in either test. The absence of shows on the structures which were tested might be associated with the absence of a suitable water drive mechanism within the Coconino sandstone.

Respectfully submitted,

  
J. A. Smythe  
Consulting Geologist

### SAMPLE DESCRIPTION

Peak Petroleum Company - New Mexico - Arizona Land Company  
Navajo No. 2  
SW SE NW Section 27, T 20 N, R 17 E  
Navajo County, Arizona

Elevations: 5290' a.s.l. Ground, 5294' a.s.l. Rotary Table

Ground surface: Triassic Chinle Formation

0-10'	Ls, tn to wht, microxln, weathered, inbd wi sh, pink to rd, weathered, sdy in part, wi inclns chrt, anglr to sub rnd, tn, org, blk, & coarse trnsclnt qtz.
10-20'	Ls, a/a, wi lrg amt chert as inclns; blk, amber, tn, org. Some inbd shs, pnk & brn, sdy, spl conglomeritic.
20-40'	Skip - lost circ, random spl available indicates v crs conglomerate as abv grading to gravel.
40-50'	Ss, cong, crs to v crs, unconsolidated; anglr to sub rnd qtz, trnsclnt & vrgtd chert. Occ sh grns.
50-60'	Spl a/a wi stgrs ls, tan to wht, microxln, weathered.
60-70'	Ss, med to crs, qtz & chert, a/a, unconsolidated wi stgrs inbd sh, wht, v sft & pink.
70-80'	Gravel cong. Pcs of ls, wht to tn, weathered, sub ang to sub rnd pebbles. Ang to sub rnd vrgtd chert pebbles. Basaltic type rock pebbles. Ss cong pebbles. (Lost circ zone.)
80-90'	Ss cong, med to crs, ang to sub rnd grns, qtz & cht, a/a (80) wi inbd shs, pink, v sdy, wthrd & sh, gry, slty, hrd, weathered.
90-100'	Shs, sft, wxy, sl sdy to v sdy, vrgtd. Pale gry grn, rdsh brn, brn wi inclns, crs to v crs cht, varicolored, ang to sub rnd & ls pellets, tn, microxln.
100-10'	Spl a/a.
110-20'	Sh, gry grn, med hrd, sdy, tan, sdy wi inclns cht, varicolored, ang to sub rnd & trcs ls, tn, microxln (pellet type).
120-25'	Shs, vrgtd, sdy a/a. At 123-125' v crs to gravel cong, ang to sub ang, vrgtd cht & trnsclnt to clr qtz.
125-30'	Shs, vrgtd, gry grn, tn, rd, hrd, sdy micac wi inclns cht, ang to sub rnd. Trcs pellet ls, tn, microxln.
130-38'	Shs, vrgtd, org to rd, silic predmnt, fiss & pl gry grn. Inclns ang to sub rnd qtz & cht. Trs pellet ls, a/a.
	Set surface string at 133'.
138-55'	Ss, med to crs, ang to sub ang qtz wi vrgtd cht & sh grns, unconsolidated, micac (80) wi inbd shs, brn, pnk, rd, sdy.
155-75'	Shs, vrgtd, pnk, rd, pl gry & gry grn, micac, sft (90) wi ss, med grnd, ang to sub ang qtz, uncon.
175-355'	Shs, vrgtd, a/a wi occ inbd conglomeritic uncon ss, a/a.
355-75'	Sh, wxy, blk, sft, gry & tn evenly inbd. Trc inbd bent, trc Inoc prsms.
375-95'	Spl a/a.
395-415'	Sh, pred pale tn, wxy, sdy, & gry grn, wxy, v sdy. Musc mica.
415-425'	Spl a/a, sdy sh grades to & inbd wi ss, v f, tn, sub ang to sub rnd qtz, micac. (Ss 20% spl.)

Note: Hole dusted to 433'. At 433' water came into hole small trickle at blooey line. Water clear, sweet. Blew for 1½ hours while nipping up detergent tanks. Water trickle increased slightly.

433' Top Triassic Shinarump

425-435' Ss. med to crs, friab, uncon, ang to sub ang grnd, trnsclnt to amber grns, musc mica, wi shs, a/a. Trc ls, tn, microxln.  
 435-460' (No uniform circ. Grab spls while heading up show friab ss, a/a.)  
 460-465' Ss, med to crs wi fw grns to v crs, as next abv, uncon, wi sh, grn & pl gry grn, wxy, occ sdy, micac (cave?).  
 465-490' (No uniform circ wi detergents - grab spls indicate friab ss & sh a/a spl.)

475' Top Triassic Moenkopi  
 Drill break at 475'

490-500' Shs, tn, pl gry grn & grn, wxy, micac, med hrd to sft. Some wi irrgrl med crs ss grn inclns.

500-11' Shs, a/a spl, wi sh, brnsh rd to brk rd, sity inbd. Shs conglomeritic shoing irrgrl sub ang crs to med ss inclns & rd sh prtngs in grn shs.

511-20' Shs, vrgtd, cong, a/a spl. Trc jasper, org in plnt stem replacement.

520-30' Shs, vrgtd, a/a wi brnsh rd to brk rd, micac, slty to sdy prdmt.  
 Some rd & grn shs grade to shly ss, v f - f, sub ang qtz, micac, hrd & ti.

530-40' Ss, f-med, sub ang varicolord qtz, v shly, ti, friab in part. Kaol cementng mtrl, occ sh grns. Conglmtc, occ lrg rd sh inclns (80) wi inbd vrgtd shs, a/a.

540-50' Carbonized plant stems. Brnsh blk to jet blk (90) wi some stgrs inbd sh, rd & gry grn, wxy.

550-60' Skip - as spl below described.

560-70' Ss, med to crs, conglmtc, sub ang qtz, variclrd, occ cht grns, ti, Kaol cmnt, some v highly pyrtc, micac (60) wi inbd shs, vrgtd, brk rd, pl grn, grn, rd & grn mottled, micac, occ sdy (40). Trcs crbnzd plnt stems, a/a spl.

570-80' Spl a/a, conglmtc ss & vrgtd shs evenly inbd. Some shs v hrd & sdy. Trcs crbnzd plnt stems a/a.

580-90' Shs, vrgtd; predmtly grn, wxy wi occ ss inclns. Also tn, wxy, sft & rd, sl sity, trc cht, org, tan. Trc org jasper plnt stem replcmnt.

590-600' Shs, vrgtd, conglmtc, irreg lam wi med to crs, ti ss cong as 560-70' abv. Some cong highly pyrtc.

600-10' Shs, vrgtd, rd, grn, purple, pl tn, micac. Conglmtc, sdy to crs qtz inclns (70) wi irreg laminae cong med to crs grnd, sub ang vari-clrd qtz & cht. Some hily pyrtc, lrg amt free cht, org, tn, ambr Trc slicknsded rd shales.

610-20' Spl a/a, conglmtc vrgtd shs & crs, ti conglomerates irreg lam. Some v pyrtc. Section v hrd. Lrg pcs cht, amber to org.

620-30' Ss cong, friab, uncon, med to crs grnd, trnsprnt to amb qtz, ang to sub ang wi crs sh grns, rd & grn, wi stgrs sh, pl grn & grn.  
 Water bearing? prpl.

630-40' Ss cong, uncon, a/a. Spl v crs, fw lrg pcs org qtz. Fw stgrs sh, grn, /

640-50' Ss cong, uncon. V crs a/a, lrg pc cht, ang, wi stgrs sh, grn, wxy, lt grn, wxy.

650-60' Ss cong. V crs, qtz & cht grns, cht pred org, wi stgrs shs, vrgtd grns & reds.

660-70' Ss cong, v crs, qtz & cht wi inbd stgrs sh, brk rd, silic, micac & gen wxy. Lrg pcs org & rd cht.

670-90' Ss, med to crs grnd, a/a wi rd & grn sh grns, uncon wi inbd vrgtd shs a/a.

698' Note: compressor lines blew while heading up water column. Converted to drilling mud. Spl a/a.

690-700' Spl a/a  
 700-10' Shs, vrgtd, sft, wxy, blk; pl gry grn pred, brk rd, silic & grn.  
 710-30' Shs a/a, inclnsn qtz, sub ang, crs, trnsprnt to trnsclnt & cht, org.  
 730-40' Shs, vrgtd, org to rd, pl gry grn, grn, wxy wi occ ss grn inclnsn.  
 740-50' Shs, vrgtd, pl gry grn, blu grn, purple, org to brk rd, sft, wxy (80)  
 wi inbd cong, med to crs, sub ang to sub rnd clr qtz wi occ crs pcs cht,  
 tn to ambr, anglr. Plnt stems replacement in ambr cht (20).  
 750-70' Spl a/a, cons amt cht, wht, ambr, pnk.  
 770-80' Shs, vrgtd a/a, org to rd, grn, prpl, tn, evenly inbd wi cong, crs to  
 v crs, sub ang to ang, trnsprnt & trnsclnt qtz, tn to ambr cht. Rd sh  
 streaked milky qtz. Fw stgrs ss, tn, v f - f, ti, sub ang qtz, shly.  
 780-90' Shs, vrgtd, a/a wi inbd gypsum, milk wht, xln & qtz & cht cong, crs,  
 a/a (40). Stgrs ls, tn, microxln. Plnt stem in cht replacement.  
 790-800' Shs, vrgtd, a/a, rd sh is slty to sdy, micac, wi inbd gypsum, wht,  
 fibrous & granular. Trc ls, tn, amrphs.  
 800-10' As spl abv, wi stgrs inbd ss cong, med to crs grnd, qtz & cht, ang to  
 sub ang, uncon.  
 810-20' Shs, vrgtd, a/a. Fw stgrs inbd gypsum, fibrous. Trcs cht, ambr.  
 Inbd stgrs ss, tan, v f grnd, sub ang qtz wi occ drk mnrls, micac.  
 Cly cmnt mtrl, calcr.  
 820-30' Shs, vrgtd, grn, org to rd, prpl, pl gry grn, wxy wi inbd gypsum,  
 fibrous & gran. Trcs crs cht, sub ang & qtz, sub ang. Stgrs inbd  
 ls, tn, microxln, sl slty. Trcs ss, a/a.  
 830-40' Shs, a/a, vrgtd, wi some inbd gyp, fib & gran. Trc ls, tn, amrphs,  
 slty. 2 pcs grd to v calcr sltstn, wht to pnk, micac. Crs pcs cht  
 & qtz, sub ang to ang, varicolored.  
 840-45' As abv, 5% spl ls, tn, v slty grading to sltstn, tn, sl micac, v calcr.  
 845-50' Spl a/a, 15% spl sltstn to v f ss, wht to flsh, sub ang qtz, v calcr,  
 v hrd & ti, micac. Lrg pcs rd cht in spl.  
 850-55' Spl a/a; friab uncon ss in spl. Ang to sub ang grns, clr qtz wi occ  
 ambr grns, micac (musc).  
 855-60' Shs, vrgtd, a/a, prpl pred. Trcs gyp, grnlr. Trcs cht, ang, varicolor.  
 Uncon ss grns a/a.  
 860-65' Shs, vrgtd, a/a, prpl, rd, grn pred. Stgrs gyp, grnlr. Trcs cht, ang.  
 865-70' Shs, vrgtd, grn, prpl, rd, pl gry grn wi stgrs inbd ls, tn, slty grades  
 to v calcr sltstn. Trcs cht & uncon ss grns, med to crs, ang to sub  
 rnd, varicolored in spl. Ss pred ang.  
 870-75' Spl a/a. Trcs tn microxln ls.  
 875' Top Permian Occonino  
 875-81' Ss, uncon, friab, sub ang to predmt sub rnd, clr to frstd grns, v f  
 to med, probably v porous & gd perm. Vrgtd shs, gyp, cht & ls, a/a (cave)  
 881-85' Spl a/a. ss f to crs grns, friab.  
 885-90' Spl a/a, ss med to crs grnd, friab. Ss grns trnsclnt & ambr clrd.  
 890-900' Spl a/a, ss med to crs, friab.  
 900-910' Spl a/a, ss f to med grnd.  
 910' Total Depth.

WELL HISTORY

Peak Petroleum Company-New Mexico-Arizona Land Co.

Navajo No. 2

SW/4 SE/4 NW/4 Section 27, Township 20 North, Range 17 East  
Navajo County, Arizona

OPERATOR AND CONTRACTOR: Peak Petroleum Company, 320 Guaranty Bank Building,  
Phoenix, Arizona

LEASE: New Mexico-Arizona Land Company (mineral rights); Wyrick (surface rights)

PROSPECT: Painted Desert Anticline

LOCATION: 1300' East of the West line and 2460' South of the North line  
(i.e. SW/4 SE/4 NW/4) Section 27, Township 20 North, Range 17 East,  
Gila and Salt River Meridian, Navajo County, Arizona

ELEVATION: 5290' a.s.l. Ground, 5294' a.s.l. Rotary Table

TOTAL DEPTH: 910' (R.T. measure) Driller's depth

CASING: Surface string: Set 133' of 7" H grade, 17# casing on shoulder at 138'  
(R.T. measure). Casing uncemented.

HOLE SIZE: 8-3/4" to 138', 5-5/8" from 138' to 910' total depth.

TYPE RIG: Failing 2500 trailer mounted rotary rig (1957 model). Drill pipe -  
2-7/8" I F Hughes extra. Drill collar - 6 (180') 3-3/4" slim hole.  
Mud pump - Gardner Denver 5" by 8" compounded to rig draw works.  
Air compressors - 3 Schramm 1200 CFM, 500 PSI. Rotating head -  
Guiberson type J (3000 PSI TP). Mud tanks - 2 40 barrel capacity.  
Foam injection pump - Worthington. Together with trucks, trailers, and  
other back up equipment.

CIRCULATORY MEDIA: Drilling mud from ground surface to 138'. Compressed air  
138-433'. Compressed air with detergent slurry 433-698'.  
Drilling mud 698-910' total depth.

LOGGING: Detail sample log available from 0-910' T.D. Samples for cut to  
American Stratigraphic Company, 1820 Broadway, Denver 2, Colorado.

PLUGGING DATA: Hole plugged May 14, 1963. Set bridge plug at 6.5' from ground  
surface with 2 sacks regular cement. No marker on location.  
Pits filled and location leveled by Arthur White, Winslow, Ariz.

DRILLING TIME: Spud 11:00 A.M. May 9, 1963. Completion date 9:10 P.M. May 13, 1963.

FORMATION DATA:

<u>AGE:</u>	<u>FORMATION:</u>	<u>DEPTH:</u>	<u>THICKNESS:</u>	<u>STRUCTURAL ELEVATION ABOVE SEA LEVEL:</u>
Triassic	Chinle	0-433'	433'	(erosional surface)
Triassic	Shinarump	433-475' (?)	42'	4861'
Triassic	Moenkopi	475' (?) - 875'	400'	4819'
Permian	Kaibab		2' (?)	
Permian	Coconino	875-910' T.D.	35' drilled off	4419'

STRATIGRAPHY

I. TRIASSIC

1. Chinle: Interval 0-433', thickness 433' (Present at location. Due to erosion at surface true formation thickness exceeds this.)

Description: Upper 125' of this formation consists predominantly of coarse conglomerates which grade to gravel with some lenses of tan to white, micro-crystalline, weathered limestone, and occasional interbeds of waxy variegated shale.

The balance of the formation is comprised of waxy, micaceous, occasionally sandy variegated shales, gray greens, browns, greens, reds and tans and mottled combinations of these. At occasional intervals throughout the shale sequence there are lenses of friable, medium to coarse, angular to sub angular, micaceous, conglomeritic sandstones with grains of quartz, chert and shale.

Comment: The Chinle formation was air drilled dry. No shows of oil and/or gas were present. A pilot hole from 0-210' indicated dry section. Surface casing hole was drilled with mud due to the severe sluffage of the conglomerates and gravels in the upper 125' of section into the hole. The hole dusted from below surface casing to the top of the Shinarump conglomerate.

2. Shinarump: Interval 433-475' (?), thickness 42'.

Description: Medium to coarse, angular to sub angular grained, well sorted, friable, micaceous quartz sandstone with grains varying from translucent to amber in color. The overall coloration of the sandstone is tan. The body drills up into unconsolidated grains. The porosity of the sandstone is indicated to be very good with permeabilities undetermined due to the unconsolidated nature of the cuttings.

Comment: Water was encountered in the top of the Shinarump at 433' depth. Initially this blew from the hole as a very small trickle of clear fresh water. While blowing at this depth for one and one half hours in an attempt to dry up the hole and while nipping up the detergent system, the trickle of clear water increased slightly in volume. In drilling the section between 433' and 480' it was indicated that additional water was coming into the hole from the

formation since it required increasingly greater pressure with increasing depth in the Shinarump to unload sample cuttings and water from the hole.

Due to erratic sample return from 465-490' while unloading the hole with water and detergent, it was not possible to accurately determine the top of the Moenkopi shale (or base of the Shinarump) and this top was determined by a drilling break encountered at this depth.

3. Moenkopi: Interval 475(?) - 875', thickness 400'

Description: As in the case of the Peak Petroleum Company - New Mexico - Arizona Land Co. Navajo No. 1, Section 35, T 21 N, R 18 E, situated  $6\frac{1}{2}$  airline miles to the northeast of the subject well, the Moenkopi can be described in two lithologic units. The upper of these extends from the base of the Shinarump to a depth of 620', and the lower from this depth to the top of the Coconino sandstone at 875'.

The upper unit is comprised predominantly of blocky, waxy, micaceous, variegated shales, pale gray greens, greens, tans, browns, reds and mottled combinations of these. The shale sequence is interspersed with occasional benches of fine to coarse, sub angular grained shaley quartz sandstone with occasional variegated chert grains. The sands are micaceous, occasionally pyritic and generally tight and impermeable due to their shaliness and the presence of clay cementing material in the sandstone interstices. Fossil replacement of plant forms by chert and carbonized material is present in the section.

The lower unit is comprised predominantly of coarse to very coarse, angular to sub angular friable sandstone conglomerates which exhibit transparent to amber colored quartz, variegated chert and shale grains. The cherts associated with the conglomerate increase appreciably to the base of the unit. The conglomerates are irregularly laminated and interbedded with soft, waxy, blocky, variegated shales; pale greens, greens, gray greens, reds and purples. Both the conglomerate and shale sequences are occasionally laminated with thin stringers of fibrous and granular gypsum. The lower part of the unit shows chert replacement of fossil plant forms.

Comment: The sandstone conglomerates in the lower unit of the Moenkopi formation appeared to be water saturated in the sandstone interstices where consolidated fragments of the sand were available. The presence of water in these conglomerates would appear to be confirmed in drilling ahead with air and detergent in the interval from 620' to 698'. Increasing pressure to unload the hole was necessary at this depth and eventually forced conversion to drilling mud at 698'.

II. PERMIAN

1. Kaibab limestone: The Kaibab is probably present as a very thin stringer of limestone in the subject well. Traces of tan microcrystalline limestone were observed in the sample 870-875' and as cave in the sample 875-880'. Possibly this unit might be one or two feet thick in the area.

Page Four - Peak Navajo No. 2

2. Coconino: Interval 875-910' total depth. 35' drilled to total depth.

Description: Comprised of friable, sub round, fine to medium grained, clear to frosted quartz sandstone. The sand body mills up in drilling with mud into unconsolidated sand grains. The sand appears to have excellent porosity. The permeability is also probably very good although this cannot be determined since the body drilled up as "fines" in the samples.

Comment: No shows of oil were associated with the Coconino sandstone.

Drill Stem Test No. 1 was run in the interval from 848-881' to test the upper few feet of the formation. Results of this test are as follow:

Test tool open 30 minutes. Immediate very weak blow in bucket terminating in five minutes. No fluid or mud recovery on test.  
Initial flowing pressure - 0. Final flowing pressure - 0.  
Hydrostatic head due to mud: 485# initial, 460# final.  
Packer held.

Considering the excellent vertical and horizontal permeabilities exhibited by the Coconino in the area it is indicated that the formation is dry in the subject wells. If gas were present in the formation it would have migrated readily to the top of the section which was tested.

General review and conclusions are combined with review and conclusions for Peak Petroleum Company - New Mexico-Arizona Land Company Navajo No. 1, Section 35, T 21 N, R 18 E.

Letter from Rob M. Collier  
Acting Chief  
Western Mapping Center  
Topographic Div.  
345 Middlefield Rd.  
Menlo Park, Calif. 94025  
Dated: October 3, 1974

# NAVAJO SPRINGS

Well	Elevations		Difference	Remarks
	Photog.	Bull. 185		
✓ Eastern 21 (234) 20n-28e-31	5853	5832	-21	Well identified at end of road on photo.
OK → ✓ Western (552)   Explan 20n-28e-30	5818	5800	-18	Bulletin 185 position would place well on opposite side of road.
✓ CREST 471   Santa Fe Eastern 2 (547) 20n-27e-25 660 FSL - 660 FEL	5821	5773 5820 agrees	-48	Image on photo at end of road and pipe line.

# NAVAJO SOUTH

✓ Kerr-McGee 2 (39) 20n-26e-35 660 FSL - 1320 FWL	± 5668 5671	5662	-6	Well identified at end of road.
✓ Kerr-McGee (36) 20n-26e-34 2175 FSL - 1700 FEL	± 5779	5772	-7	Well identified at end of road.
✓ Kerr-McGee (10) 20n-26e-33 330 FSL - 230 FEL	± 5743	5743	0	Well identified at U-bend in road.
✓ Linehan (136) 20n-26e-21 330 FSL - 2310 FEL	± 5605	5600	-5	1500 feet from BM.
✓ Kerr-McGee (37) 19n-26e-4 2310 FSL - 1650 FEL	± 5770	5753	-17	Well identified at end of road.
✓ Kerr-McGee 1 (167) 19n-26e-14 500 FSL - 1320 FWL	± 5741	5760	+19	Located in a small clearing 350 feet off road.
Kerr-McGee 1A (177) 19n-26e-14 500 FSL - 1320 FWL	Not Plotted 5738	5776		This point is 100 feet down slope from 167 yet elevation indicates it is higher.

(\*) Interpolated

The "Remarks" column gives justification for our confidence in the fieldman's location of the wells.

NAVAJO SPRINGS AREA WELLS EASTERN PETROLEUM COMPANY - OPERATOR															
PERMIT NUMBER	WELL NAME	LOCATION	TOTAL DEPTH	FORMATION	INTERVAL PERFORATED	COMPLETION DATE	INITIAL POTENTIAL MCFD	12-31-73 CUMULATIVE PROD. (MCF)	DATE OF LAST PROD.	PROD. CSG. DEPTH & SIZE	HOLE SIZE	NO. CEMENT SACKS USED	ESTIMATED TOP OF CEMENT	OPERATORS EST. OF CSG. RECOVERABLE	REMARKS
✓ 110	Crest Santa Fe #2	NE/SW 33-20N-27E	1140 PBTID 1105	Coconino	1062-72	6-24-60	12.75	Never Prod.		2 7/8" @ 1107	4 3/4"	50			
✓ 164	Eastern Santa Fe #13	NE/SW 31-20N-27E	980	Coconino	Open Hole	6-25-62	6290	1,400,623		4 1/2" @ 967	6 1/4"	50			Navajo Springs
✓ 204	Crest Santa Fe #7	SE/NE 6-19N-27E	1060	Coconino	1042-52	9-11-62	155	Never Prod.		2 7/8" @ 1060	4 3/4"	25			
✓ 206	Eastern Santa Fe #14	SE/NW 5-19N-27E	1100 1361	Coconino	1026-56	10-16-62	300	47,594	Oct. 1973	4 1/2" @ 1190	6 3/4"	140			
✓ 234*	Ancon Santa Fe Fee #21	SE/NW 31-20N-28E	PBTID 1330	Shinarump	1173-94+	9-13-63	3.0	22,005	Sept. 1972	2 7/8" @ 1330	4 3/4"	55	730	1200	East Navajo Shinarump
✓ 236	Santa Fe Fee #17	SW/NW 4-19N-27E	1057	Coconino	1037-57	6-17-63	250	56,948	Dec. 1973	4 1/2" @ 1057	6 1/4"	65			
✓ 235	Kerr-McGee Barfoot #1	NE/SW 32-20N-27E	1087	Coconino	986-1005	7-30-63	1160	225,555		4 1/2" @ 1076	6 3/4"	150			Navajo Springs
✓ 235	Santa Fe Fee #31	NW/SE 29-20N-27E	1049	Coconino	992-1006	10-25-63	590	Never Prod.		2 7/8" @ 1049	4 3/4"	60			Remedial work before drilling work not rep.
✓ 235	Santa Fe Fee #32	NE/SW 28-20N-27E	1133	Coconino	1090-1190	11-24-63	9-	Never Prod.		2 7/8" @ 1120	6 1/4"	55			
✓ 235	Santa Fe Fee #35	NE/SW 27-20N-27E	1072	Coconino	Open Hole	5-11-64	1570	27,471	Oct. 1971	4 1/2" @ 1062	6 1/4"	65			
✓ 235	Rocco #2 Fee	SW/NE 1-19N-26E	1067 1225	Coconino	1012-16	3-07-66	250-260 Est.	Never Prod.		2 7/8" @ 1073	4 3/4"	100			
✓ 271	Crest Santa Fe #1	SE/SE 25-20N-27E	1225 PBTID 1140	Shinarump	1046-1110	11-20-68	51	34,451	Dec. 1973	4 1/2" @ 1171	6 1/4"	170			Originally drilled East Navajo Shinarump
✓ 236*	Santa Fe Fee #24	SE/NW 24-20N-27E	1340 PBTID 1173	Shinarump	1145-73	9-30-71	Negligible	Never Prod.		2 7/8" @ 1303	4 3/4"	230	Enough cement to circulate	1290	
✓ 537*	Santa Fe Fee #21-1A	NW/NW 31-20N-28E	1232	Coconino	Open Hole	9-15-70	470	5,200	Oct. 1972	4 1/2" @ 1215	6 1/4"	100	450	1075	
✓ 560*	Kiya Santa Fe Fee #1	NE/SW 13-20N-25E	1210 PBTID 1150	Shinarump	1040-56	12-06-71	No Gas Reported	Never Prod.		4 1/2" @ 1171	6 1/4"	100	440	1075	
✓ 565*	Santa Fe #6X-1	SE/NW 25-20N-25E	1261 PBTID 1174	Shinarump	1126-60	1-06-72	No Gas Reported	Never Prod.		4 1/2" @ 1161	6 1/4"	100	700	1120	
✓ 565*	Santa Fe Fee Sanders #2	NE/SW 15-21N-25E	515	Coconino	406-220	4-20-72	TSM	Never Prod.		4 1/2" @ 516	6 1/4"	75	110	1040	
✓ 575*	Szar State #1	NW/NW 36-20N-27E	1215	Shinarump	1154-62	4-25-72	Well On Vacuum During Test	Never Prod.		4 1/2" @ 1215	6 1/4"	100	60	1075	East Navajo Shinarump
✓ 585*	Santa Fe Fee Dreck #1	SE/SW 25-20N-27E	1266	Shinarump		6-21-72	Not Tested	Never Prod.		7" @ 265	6 7/8"	65		None	Reported plug
✓ 592*	Indian Allotted Merde #1	SE/SW 30-20N-25E	1200	Shinarump	1062-93	8-17-72	155	991	Oct. 1972	4 1/2" @ 1200	6 1/4"	100	Bottom 229**	1000	Hole in wall. This well is in the line
✓ 596*	Indian Allotted Merde #2	SW/SE 30-20N-25E	1342 PBTID 1215	Shinarump	Completion Report	Never Submitted		Never Prod.		2 7/8" @ 1167***	4 3/4"	No Report		1125	
✓ 599*	Kiya Santa Fe Fee #2	NE/SW 24-20N-25E	1230	Coconino	1155-1215	11-12-72	TSM	Never Prod.		4 1/2" @ 1215	6 1/4"	90	577	1075	
✓ 600*	Santa Fe Fee Beacon #1	NW/SE 29-20N-29E	1265	Coconino	No Perfs. Reported	2-25-72	No Test Reported	Never Prod.		4 1/2" @ 1265	6 1/4"	85	515	1125	
✓ 601*	Santa Fe Fee #1-11	NE/SE 11-20N-28E	1075	Coconino	Open Hole	11-10-72	TSM	Never Prod.		4 1/2" @ 1055	6 1/4"	65	710	1005	
* Applications to plug have been approved.															
Cement bond log indicates bottom of cement at 726'															
From Application to Plug															

NAVAJO SPRINGS AREA WELLS EASTERN PETROLEUM COMPANY - OPERATOR

LOCATION	TOTAL DEPTH	FORMATION	INTERVAL PERFORATED	COMPLETION DATE	INITIAL POTENTIAL MCFD	12-31-73 CUMULATIVE PROD. (MCF)	DATE OF LAST PROD.	PROD. CSG. DEPTH & SIZE	HOLE SIZE	NO. CEMENT SACKS USED	ESTIMATED TOP OF CEMENT	OPERATORS EST. OF CSG. RECOVERABLE	REMARKS
NE/SW 33-20N-27E	1140 PBD 1105	Coconino	1062-72	6-24-60	12.75	Never Prod.		2 7/8" @ 1107	4 3/4"	50			
NE/SW 31-20N-27E	980	Coconino	Open Hole	6-25-62	6290	1,400,623		4 1/2" @ 967	6 1/4"	50			Navajo Springs Unit
SE/NE 6-19N-27E	1060	Coconino	1042-52	9-11-62	155	Never Prod.		2 7/8" @ 1060	4 3/4"	25			
SE/SW 5-19N-27E	1100 1361	Coconino	1026-56	10-16-62	300	47,594	Oct. 1973	4 1/2" @ 1100	6 3/4"	100			
SE/NW 31-20N-28E	PBD 1330	Shinarump	1173-94+	9-13-63	2.0	22,005	Sept. 1972	2 7/8" @ 1330	4 3/4"	85	730	1300	East Navajo Springs Shinarump Pool
SW/NW 4-19N-27E	1057	Coconino	1037-57	6-17-63	250	56,948	Dec. 1973	4 1/2" @ 1057	6 1/4"	65			
NE/SW 32-20N-27E	1057	Coconino	996-1005	7-30-63	1160	225,555		4 1/2" @ 1076	6 3/4"	140			Navajo Springs Unit
NW/SE 29-20N-27E	1049	Coconino	992-1006	10-25-63	590	Never Prod.		2 7/8" @ 1049	4 3/4"	90			( Remedial work on this well ( between 1049 & 1057 test data ( work not reported.
SE/SW 23-20N-27E	1133	Coconino	1090-1100	11-24-63	9-	Never Prod.		2 7/8" @ 1123	6 1/4"	75			
NE/SW 27-20N-27E	1072	Coconino	Open Hole	5-11-64	1570	27,421	Oct. 1972	4 1/2" @ 1062	6 1/4"	92			
SW/NE 1-19N-26E	1067	Coconino	1012-16	3-02-66	250-300 Est.	Never Prod.		2 7/8" @ 1053	4 3/4"	100			
SE/SE 25-20N-27E	1225 PBD 1140	Shinarump	1046-1110	11-20-65	51	34,451	Dec. 1973	4 1/2" @ 1171	6 1/4"	70			Originally completed for Coconino
SE/NW 24-20N-27E	1340 PBD 1173	Shinarump	1145-73	9-30-71	Negligible	Never Prod.		2 7/8" @ 1403	4 3/4"	220	Enough cement to circulate	1290	East Navajo Springs Shinarump Pool
NW/NW 31-20N-28E	1232	Coconino	Open Hole	9-15-70	470	5,299	Oct. 1972	4 1/2" @ 1215	6 1/4"	100	635	1075	
NE/SW 13-20N-28E	1230 PBD 1150	Shinarump	1040-56	12-09-71	No Gas Reported	Never Prod.		4 1/2" @ 1172	6 1/4"	100	640	1040	
SE/NW 25-20N-28E	1261 PBD 1174	Shinarump	1126-60	1-06-72	No Gas Reported	Never Prod.		4 1/2" @ 1265	6 1/4"	100	720	1125	
NE/SW 15-21N-28E	516	Coconino	406-420	4-20-72	TSM	Never Prod.		4 1/2" @ 516	6 1/4"	75	116	410	
NW/NW 36-20N-27E	1215	Shinarump	1154-62	4-25-72	Well On Vacuum During Test	Never Prod.		4 1/2" @ 1215	6 1/4"	100	61	1072	East Navajo Springs Shinarump Pool
SE/SW 25-20N-27E	1266	Shinarump		6-21-72	Not Tested	Never Prod.		7" @ 245	5 3/4"	65	Circulated Surface	None	This well continuously reported plugged.
SW/SW 30-20N-28E	1200	Shinarump	1062-93	5-17-72	156	991	Oct. 1972	4 1/2" @ 1200	6 1/4"	100	Bottom 726**	1060	Hole in 100' @ 726'
SW/SE 30-20N-28E	1243 PBD 1215	Shinarump	Completion Report Never Submitted			Never Prod.		2 7/8" @ 1197***	4 3/4"	No Report		1155	This well flowing water between 1055 & 1057.
NE/SW 24-20N-28E	1239	Coconino	1155-1215	11-12-72	TSM	Never Prod.		4 1/2" @ 1215	6 1/4"	60	577	1072	
NW/SE 29-20N-29E	1265	Coconino	No Perfs. Reported	2-25-72	No Test Reported	Never Prod.		4 1/2" @ 1265	6 1/4"	65	515	1125	
NE/SE 11-20N-28E	1075	Coconino	Open Hole	11-10-72	TSM	Never Prod.		4 1/2" @ 1055	6 1/4"	65	710	1005	

have been approved.

icates bottom of cement at 726'

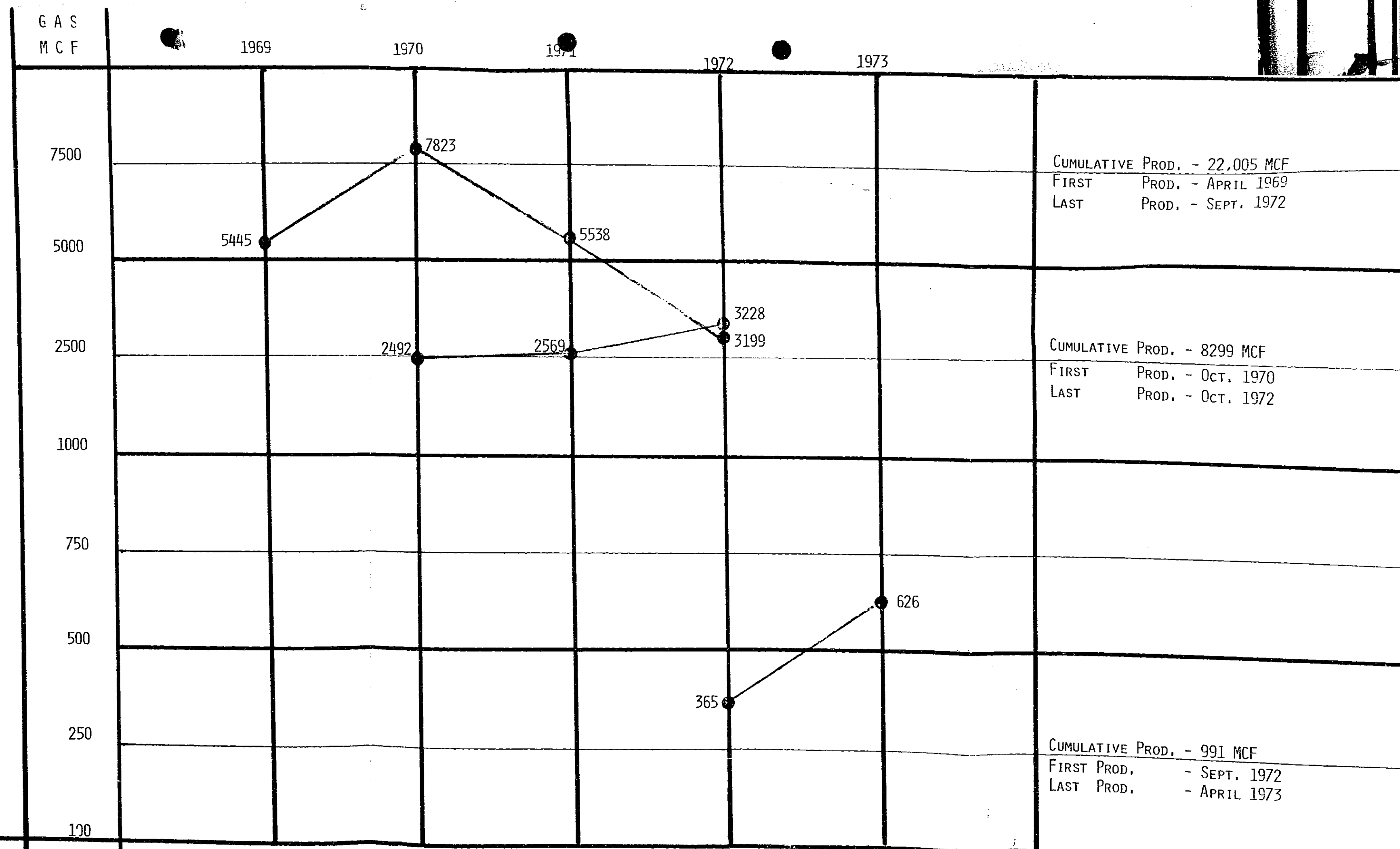
File

WELL #21 ANCON SANTA FE  
NW 31-20N-28E APACHE CO

ANCON SANTA FE No. 21  
SE/NW 31-20N-28E  
234

SANTA FE FEE No. 21-1A  
NW/NW 31-20N-28E  
537

MERDE No. 1  
SW/SW 30-20N-28E  
592

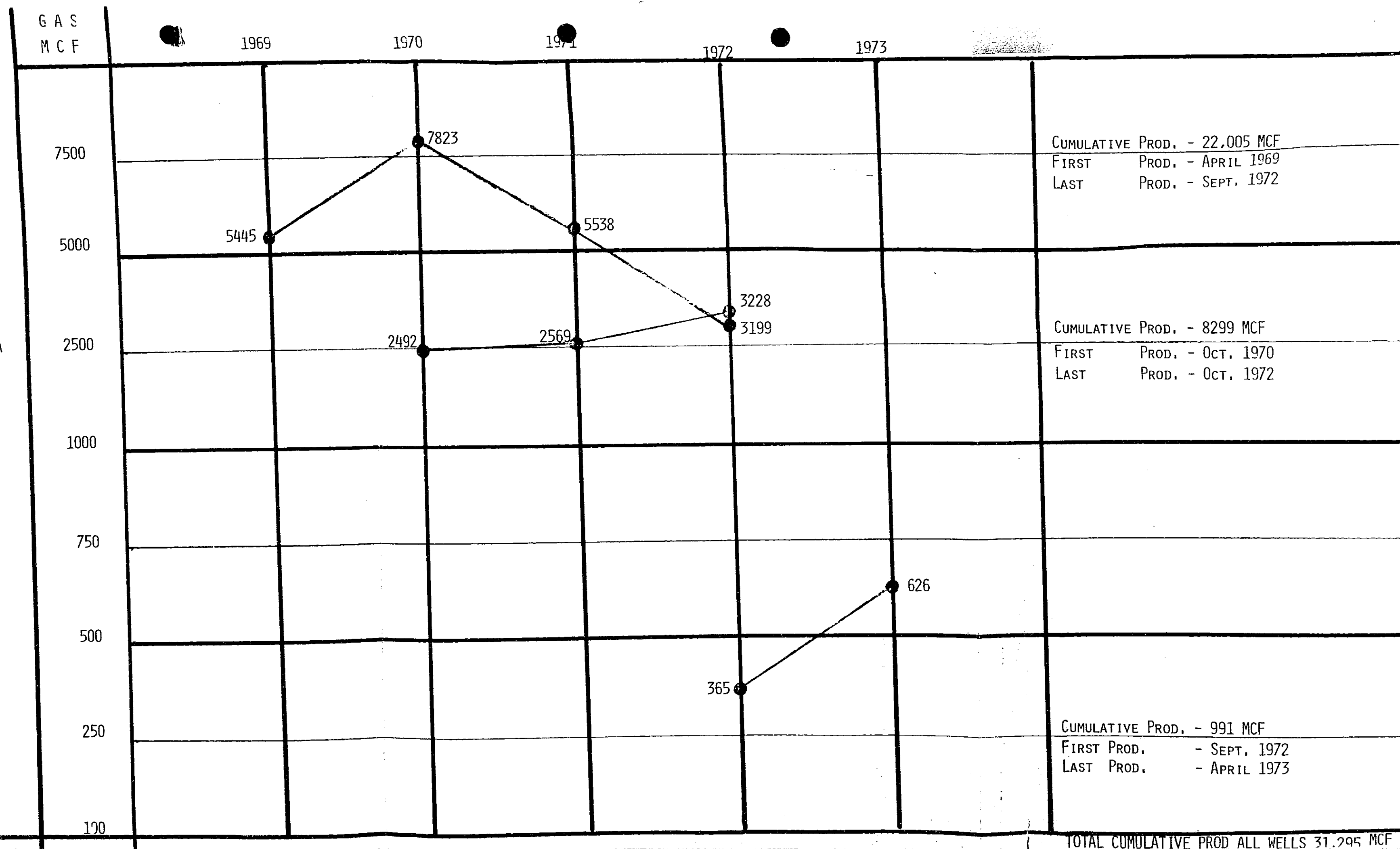


TOTAL CUMULATIVE PROD. ALL WELLS - 22,005 MCF

No. 21  
E

No. 21-1A  
8E

28E



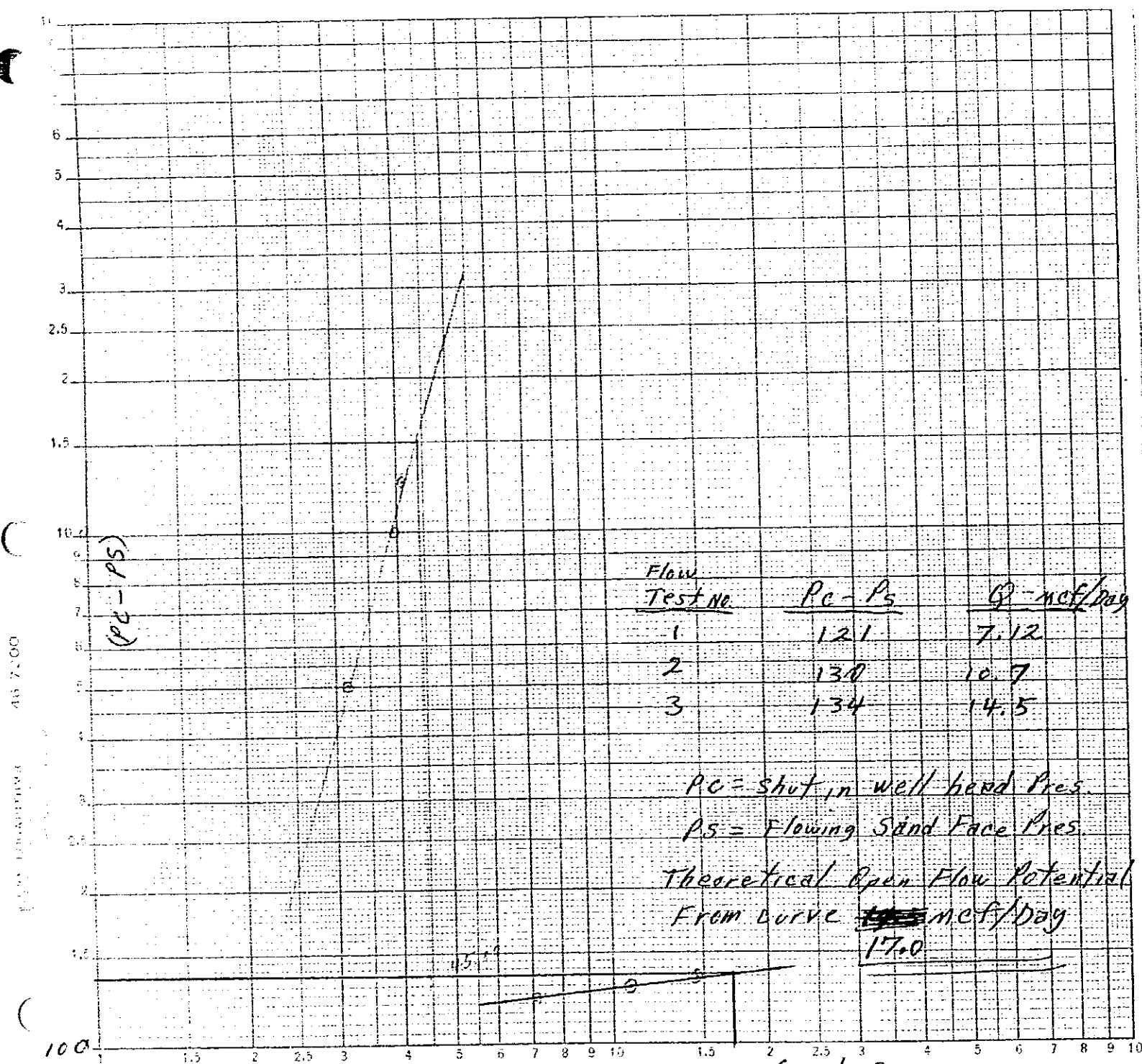
NO. 21 ANCON SANTA FE  
NW 31-20N-28E APACHE CO.

Permit No. 234, Santa Fe Ancon #21

3-27-74

Well shut-in. This well has a  
1" macaroni string of tbg. inside  
2 7/8" tbg. There is a small  
spherical separator on location.  
The pit has not been filled.  
Misc. junk is also around the loc.

Eastern Petroleum Co.  
 Santa Fe #21  
 SE/4 NW/4 Sec 31  
 T<sup>26</sup> N - R - 29 E  
 Permit # 234



RECEIVED

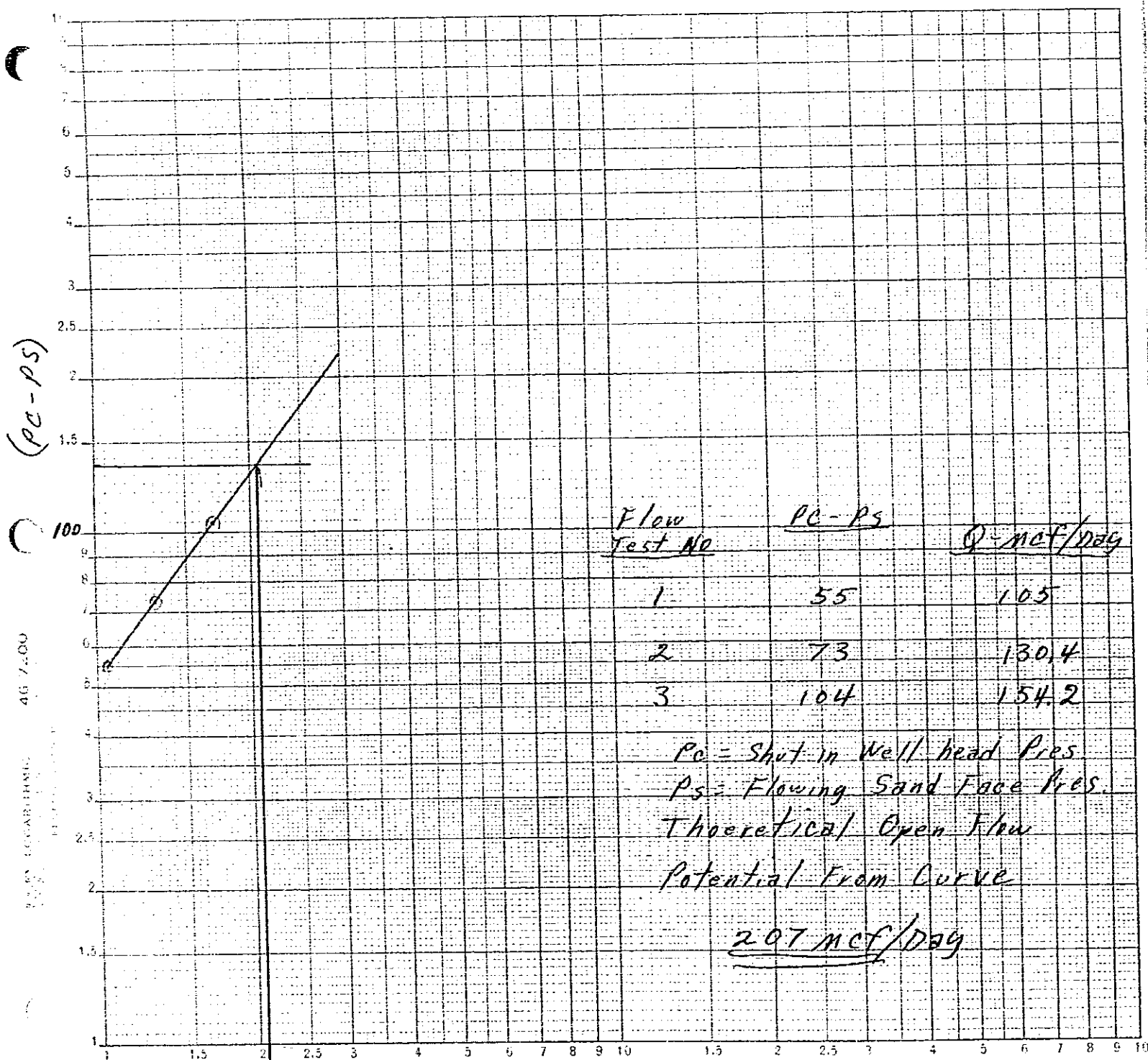
MAY 31 1972

O & G CONS. COMM.

Q = mcf/Day

17 mcf calc Open Flow before Frac.  
 135<sup>th</sup> SIP.

Eastern Petroleum Co.  
 Santa Fe #21  
 SE/4 NW/4 sec. 31  
 T<sup>20</sup>~~20~~N R-28E  
 Permit # 234

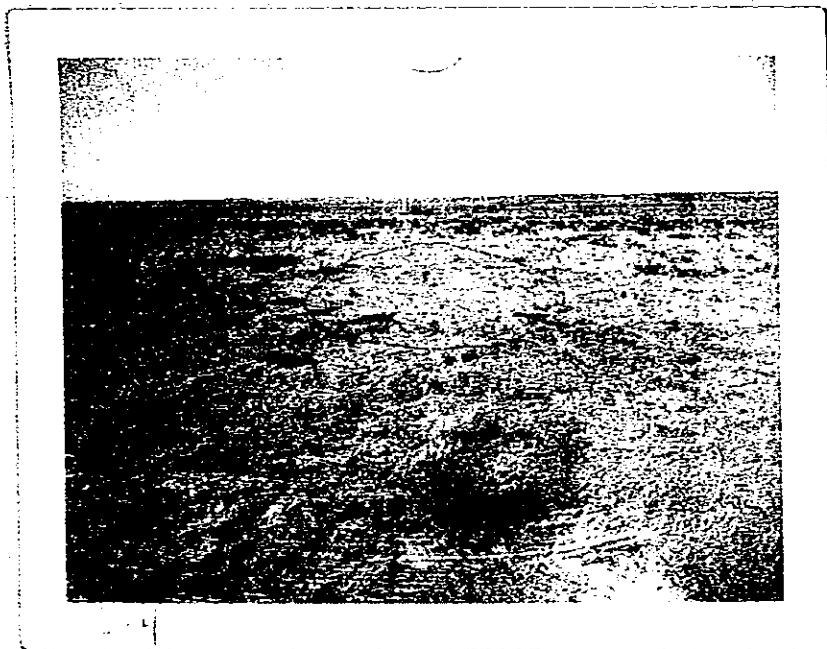


207 mcf/day Calc Open Flow  
 After Frac  
 w/22 Tons CO<sub>2</sub> Q = mcf/day

RECEIVED

MAY 31 1972

O & G CONS. COMM.



Location of original dry hole marker. Eastern 21 Ancon location recently leveled. No dry hole marker in evidence. Looking northwest towards Eastern 21-1A.

Well: E.P.Co Ancon 21-2  
Sec 31, T20N, R28E  
Apache County, Arizona

Eastern Petroleum Company  
P. O. Box 226  
Farmington, New Mexico  
87401

Status: Produced from 2-7-72 to 2-11-72

RECEIVED

FEB 18 1972

O & G CONS. COMM.

234

WELL: Ancon 21-2  
Sec. 31, T28E, R20N  
Apache Co., Ariz.

Eastern Petroleum Co.  
P.O. Box 226  
FMN 86744 87401

Status: Placed on Western Helium pipeline 1-08-72,  
S.I. pressure taken and flow rate.  
Presently waiting continual operation of Helium  
plant.

RAF - VP

# 234

Well: E. P. G. Ancon 21-2  
Sec 31, T20N, R28E  
Apache County, Arizona

Eastern Petroleum Co.  
P. O. Box 226  
Farmington, New Mexico  
87401

Status: Well produced from 1-16-72 to 1-21-72, presently  
S. I.

RECEIVED

JAN 20 1972

O & G Cons. COMM.

Well: E.P.Co. Ancon 21-2  
Sec 31, T20N, R28E  
Apache County, Arizona

Eastern Petroleum Company  
P. O. Box 226  
Farmington, New Mexico  
87401

Status: Temporarily S.I.

RECEIVED

FEB 03 1972

O & G CONS. COMM.

Well: E.P.Co Ancon 21-2  
Sec 31, T20N, R28E  
Apache County, Arizona

Eastern Petroleum Company  
P. O. Box 226  
Farmington, New Mexico  
87401

Status: On stream - 1-31-72

RECEIVED

FEB 08 1972

O & G CONS. COMM.

234

(NDRY NOTICES AND REPORTS ON WELLS)

1. Name of Operator Eastern Petroleum Company

2. OIL WELL ☐ GAS WELL ☒ OTHER ☐ (Specify) \_\_\_\_\_

3. Well Name See Below

Location \_\_\_\_\_

Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ Rge. \_\_\_\_\_ County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease Santa Fe Fee

5. Field or Pool Name See Below

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:			SUBSEQUENT REPORT OF:		
TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>	WATER SHUT-OFF	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	DIRECTIONAL DRILL	<input type="checkbox"/>	FRACTURE TREATMENT	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	PERFORATE CASING	<input type="checkbox"/>	SHOOTING OR ACIDIZING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>	MONTHLY PROGRESS	<input type="checkbox"/>
(OTHER) _____				REPAIRING WELL	<input type="checkbox"/>
				ALTERING CASING	<input type="checkbox"/>
				ABANDONMENT	<input type="checkbox"/>
				(OTHER) _____	<input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Shut-in wells - awaiting market - Shut-in May 21, 1971

Navajo Springs Unit

Santa Fe #14 - 4-19-27 (Permit No. 206)  
 Santa Fe #17 - 5-19-27 (Permit No. 236)  
 Santa Fe #35 - 27-20-27 (Permit No. 263)

East Navajo Springs Coconino

Santa Fe #21-A - 31-20-28 (Permit No. 537)

East Navajo Springs Shinarump

Ancon Santa Fe #21 - 31-20-28 (Permit No. 234)  
 Crest Santa Fe #1 - 25-20-27 (Permit No. 471)

8. I hereby certify that the foregoing is true and correct.

Signed J. Edwards Title Secretary Date June 16, 1971

STATE OF ARIZONA  
 OIL & GAS CONSERVATION COMMISSION  
 Sundry Notices and Reports On Wells  
 File Two Copies

Form No. 25

Permit No. \_\_\_\_\_

RECEIVED

JUN 18 1971

O & G CONS. COMM.

FS12526

LAB NO.	M.S. NO.	F.S. NO.
1-7-53	N-51105	
EASTERN PET. CORP.		
FIRM #2 ✓		
Amen 21-1 1200		
Shin. rump		

234

COMPONENTS	HEATING VALUES	%
METHANE (15)	1013	
ETHANE (30)	1792	
PROPANE (44)	2589	
N-BUTANE (58)	3401	
I-BUTANE (43)	3362	
N-PENTANE (72)	4256	
I-PENTANE (41)	4256	
CYCLO-PENTANE (70)	3771	
HEXANES PLUS (71)	5126	
NITROGEN (28)		89.5
OXYGEN (32)		2.25
ARGON (40)		3.2
HYDROGEN (2)	324	
HYDROGEN SULFIDE (34)	641	
CARBON DIOXIDE (44)		0.4
HELIUM**		2.2
19.23 ✓		
19.23 ✓		
		1.1
CALCULATED TOTAL B.T.U.		

\*GROSS B.T.U./CU. FT.  
DRY AT 60° F. & 30" Hg  
\*\*FROM SEPARATE ANALYSIS

BY: \_\_\_\_\_

DATE REPORTED: \_\_\_\_\_

SULFUR ODOR: \_\_\_\_\_

TRACE, IF INDICATED, IS  
LESS THAN 0.05%

FS12527

LAB NO.	M.S. NO.	F.S. NO.
1-7-53	N-51101	
EASTERN PET. CORP.		
FIRM #1 ✓		
WELL #21-A 1300		
Coconino		

537

COMPONENTS	HEATING VALUES	%
METHANE (15)	1013	
ETHANE (30)	1792	
PROPANE (44)	2589	
N-BUTANE (58)	3401	
I-BUTANE (43)	3362	
N-PENTANE (72)	4256	
I-PENTANE (41)	4256	
CYCLO-PENTANE (70)	3771	
HEXANES PLUS (71)	5126	
NITROGEN (28)		89.7
OXYGEN (32)		2.1
ARGON (40)		2.2
HYDROGEN (2)	324	
HYDROGEN SULFIDE (34)	641	
CARBON DIOXIDE (44)		0.7
HELIUM**		2.7
18.73 ✓		
18.73 ✓		
		122.0
CALCULATED TOTAL B.T.U.		

\*GROSS B.T.U./CU. FT.  
DRY AT 60° F. & 30" Hg  
\*\*FROM SEPARATE ANALYSIS

BY: \_\_\_\_\_

DATE REPORTED: \_\_\_\_\_

SULFUR ODOR: \_\_\_\_\_

TRACE, IF INDICATED, IS  
LESS THAN 0.05%

From Div of He - Amarillo

OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL OR GAS FROM LEASE		
Federal, State or Indian Lease Number, or lessor's name, if fee lease Santa Fe Fee Ancon #21	Field East Navajo Springs	Reservoir Shinarump
Survey or Sec-Twp-Rge 31-20N-28E	County	State
Operator Eastern Petroleum Company		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street Box 291	City Carmi	State Illinois
Above named operator authorizes (name of transporter) Western Helium Corporation		
Transporter's street address Box 1358	City Scottsdale	State Arizona
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	100 % of the	helium bearing gas from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer None	% transported	Product transported
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change.		
Cancelled 11-15-74, see Case 48, Order 47		

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Secretary of the Eastern Petroleum Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Date December 16, 1970

Signature [Signature]

Date approved: 12-21-70

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION

By: [Signature]

Permit No. 234

RECEIVED

DEC 21 1970

O & G CONS. COMM.

STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Operator's Certificate of Compliance & Authorization to Transport Oil or Gas from Lease File Two Copies Form No. 3
--

ENGINEERING REPORT

of

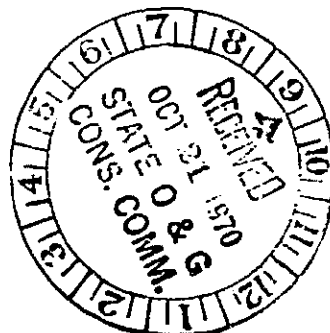
Well Tests and Gas Flow Calculations  
Shut-in Gas Wells, Navajo Springs Area  
Apache County, Arizona

For

Western Helium Corporation

by

John W. Heller



**JOHN M. HELLER**

REGISTERED ENGINEER

P. O. Box 1507  
1727 Forest Ave  
DURANGO, COLORADO  
81301

September 22, 1970

Phone 247-3846  
AREA CODE (303)

Western Helium Corporation  
P. O. Box 1358  
Scottsdale, Arizona 85252

Gentlemen:

Submitted herewith is an engineering report of well tests and flow rate calculations on shut-in gas wells in the Navajo Springs Unit area.

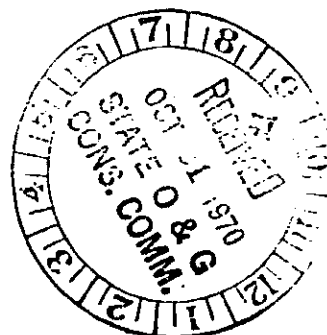
This report is made at the request of Mr. R. E. Lauth. I wish to express my appreciation to him and also Mr. Henry Fullop of Eastern Petroleum Corporation for their cooperation in obtaining the field information and the accommodations they furnished while obtaining the field information.

I believe the data shown herein is sufficient for your needs. Do not hesitate to contact me if there are any questions about this report.

Very truly yours,

*John M. Heller*  
John M. Heller

Copies to:  
Mr. Henry Fullop  
Mr. R. E. Lauth



- 1 -

#### PURPOSE

To determine the productive capacity of shut-in gas wells in the Navajo Springs Unit and surrounding area, Apache Co., Arizona.

To project flow rates at field gathering line pressures of 10, 20, 30, and 40 psig.

#### SUMMARY

Five wells, Santa Fe Nos. 14, 17, and 21-2; Reese No. 2; and Crest No. 7, were tested. These tests and calculated data indicate the wells are capable of producing at this time. A test was attempted on Santa Fe No. 35 but results are not valid because of fluid entry into the well bore during the flow periods. This well does have the capacity to produce some gas at limited rates before remedial work is necessary.

Calculated delivery rates at various back pressures are summarized by individual wells:

Lease and Well Number	Producing Zone	Delivery Rates @ - 100°F			
		10 psig.	20 psig.	30 psig.	40 psig.
Santa Fe No. 14	Coconino	945	940	845	735
Santa Fe No. 17	"	350	340	300	280
Santa Fe No. 21-2	Shinarump	525	510	500	490
Reese No. 2	Coconino	730	680	645	610
Crest No. 7	"	120	175	120	140
Total Volume - MCFD		2770	2655	2450	2115

Santa Fe No. 35 could possibly produce at a rate of 100 MCFD without such difficulty.

- 2 -

#### PROGRAM and PROCEDURE

Information and data required to make the flow rate projections were obtained by individual well tests. Gas flow measurements were taken through a 2" Critical Flow Prover and a 2" Critical Flow Tester at critical flow. Pressures were obtained by dead weight and test gauges to the nearest one pound increment. Assumptions were made on the gravity of the gas and the barometric pressure.

Calculations were made to a base pressure of 14.65 psia. The back pressure curves are drawn on values of  $P_b$  and  $P_w$ . The surface shut-in and working pressures, corrected for flow friction where it was significant.

Two four point tests were satisfactorily completed and the slope of the back pressure curve on these wells was applied to the other wells where one point tests were taken.

The projected delivery rates shown in this report were obtained by analyzing the back pressure curves, calculating the flow friction and adjusting the flow volume.

#### DISCUSSION

Santa Fe Wells No. 14, 17, and 21-2; Reese No. 2; and Crest No. 7, were favorably tested. Reese No. 2 did show a slight amount of moisture at the end of the test period but does not appear to affect the delivery potential at this time. Santa Fe No. 30 test is not considered valid because of the fluid entry into the well bore during the test period. This well can be produced to some extent and could show a sizable cumulative production before it becomes necessary to recondition. It is suggested that this well be produced at a rate of about 100 MCF per day initially and checked closely for the fluid buildup in the well bore, unloading by blowing full open to the atmosphere for only short periods of time when necessary.

Other wells in the Navajo Springs Unit were checked but flow tests were not taken. They would not test in a satisfactory manner. Details of these wells are shown on page number 14 of this report.

The total GOR of the five wells considered productive at this time is 3,173 MCF. It would be prudent to start initial deliveries at approximately 25% of the GOR or about 794 MCF. This does not include the 100 MCF that may be produced from Santa Fe No. 30. That individual wells be checked closely for performance and the producing rates adjusted accordingly.

Form C-122  
Revised 9-1-65

- 7 -

Type Test <input type="checkbox"/> Initial <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Special		Test Date 9/12/70	
Company Eastern Petroleum Co.		Connection Not in service	
Pool E. Navajo Springs		Formation Shinarump	
Completion Date 1963		Total Depth ?	
Perforations: From 1173 To 1193 Approx.		Elevation 5332	
Well No. 2-7/3"		Santa Fe	
Unit Sec. Twp. Rge. NW/4 31 20N 23E			
County Apache		State Arizona	
Producing Thru Casing		Baro. Press. - P <sub>a</sub> 12.0 Assumed	
Reservoir Temp. *F 89° Est.		Mean Annual Temp. *F 60 Est.	
L H Gg % CO <sub>2</sub> % N <sub>2</sub> % H <sub>2</sub> S Prover Meter Run Taps 0.910 Est. - - - 2" CFP Not used			

FLOW DATA						TUBING DATA		CASING DATA		Duration of Flow	
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h <sub>w</sub>	Temp. *F	Press. p.s.i.g.	Temp. *F	Press. p.s.i.g.		Temp. *F
SI	Static	-	-	-	-	-	-	-	124	-	0
1.	2" CFP	3/16	120	-	73	-	-	-	-	-	1 hr.
2.	"	5/16	100	-	68	-	-	-	-	-	1 hr.
3.	"	3/8	89	-	63	-	-	-	-	-	1 hr.
4.	"	7/16	79	-	60	-	-	-	-	-	1 hr.
5.											

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Prover Pressure psia P <sub>m</sub>	Flow Temp. Factor F <sub>t</sub>	Gravity Factor F <sub>g</sub>	Super Compress. Factor, F <sub>pv</sub>	Rate of Flow Q, Mscf/d
1	0.3035	-	132	0.9377	0.312	-	35.15
2	2.208	-	112	0.9924	"	-	199
3	3.142	-	101	0.9924	"	-	256
4	4.503	-	91	0.9915	"	-	330
5							

NO.	P <sub>r</sub>	Temp. *R	T <sub>r</sub>	Z	Gas Liquid Hydrocarbon Ratio _____ Mcf/bbl.
1	NA				A.P.I. Gravity of Liquid Hydrocarbons _____ Deg.
2					Specific Gravity Separator Gas _____ XXXXXXXXXX
3					Specific Gravity Flowing Fluid _____ XXXXX
4					Critical Pressure _____ P.S.I.A. _____ P.S.I.A.
5					Critical Temperature _____ R _____ R

NO.	P <sub>c</sub>	P <sub>w</sub>	R <sub>w</sub>	P <sub>c</sub> <sup>2</sup> - R <sub>w</sub> <sup>2</sup>
1	14400	132	14400	4096
2	12544	112	12544	5952
3	10201	101	10201	3295
4	8281	92.3	8532	9964
5				

(1)  $\frac{P_c^2}{P_c^2 - R_w^2} = \underline{\hspace{2cm}}$       (2)  $\left[ \frac{P_c^2}{P_c^2 - R_w^2} \right]^n = \underline{\hspace{2cm}}$

AOF = 0       $\left[ \frac{P_c^2}{P_c^2 - R_w^2} \right]^n = \underline{610}$

Absolute Open Flow      610      Mcfd @ 15.025	Angle of Slope θ      45	Slope, n      1.0
--	--------------------------	-------------------

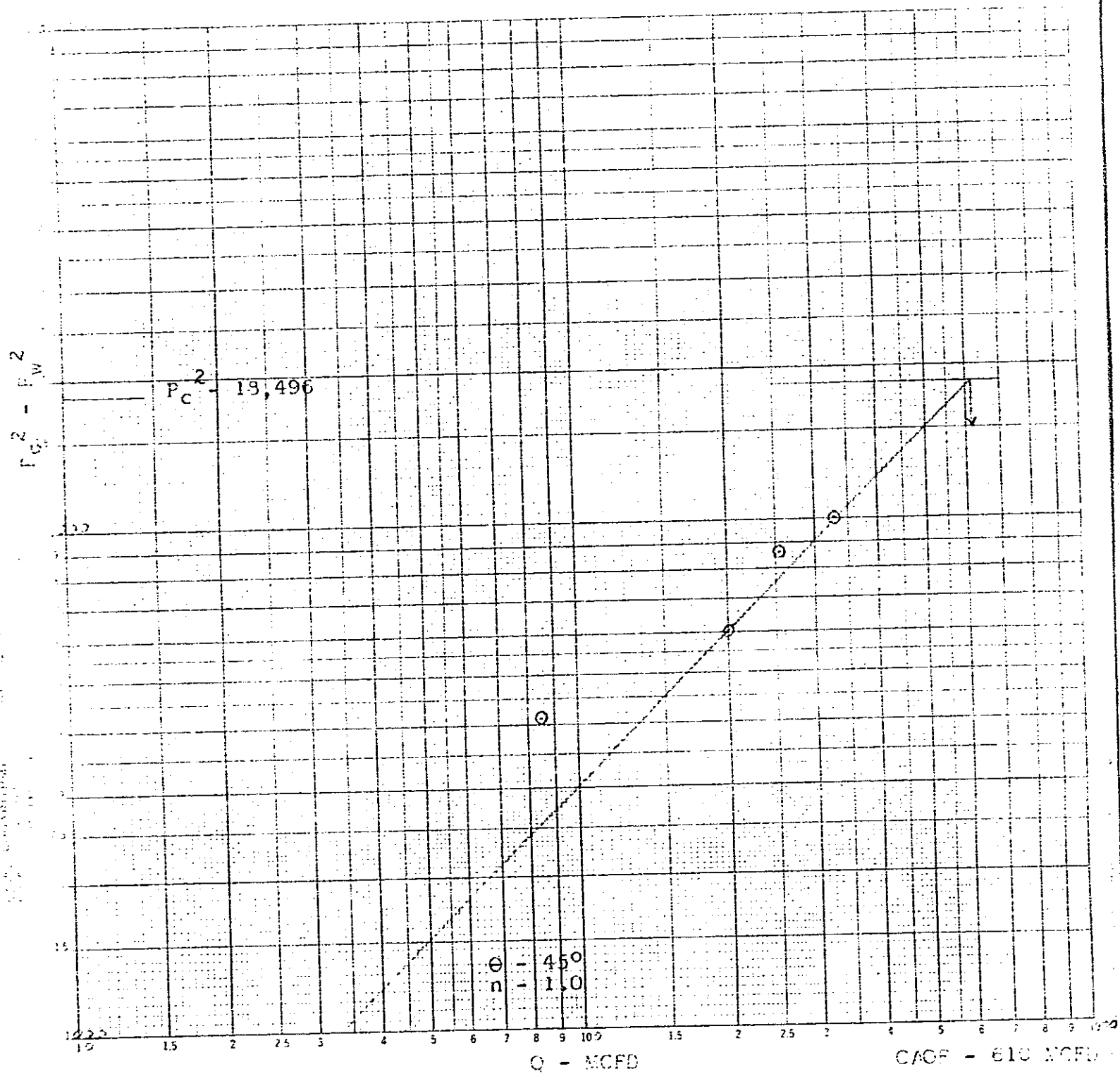
Remarks:

Approved By Commission:	Conducted By:	Calculated By:	Checked By:
-------------------------	---------------	----------------	-------------

- 3 -

EASTERN PETROLEUM COMPANY  
Santa Fe No. 21-2 Well  
NW/4 Sec. 31-20N-23E  
Apache County, Arizona



October 30, 1970

Memo from W. E. Allen

Memo to: Eastern Petroleum Company #21 Ancon Santa Fe  
SE/4 NW/4 Section 31-T20N-R28E  
Apache County  
Our File #234

Eastern Petroleum Company #21<sup>2</sup> Ancon Santa Fe  
SE/4 NW/4 Section 31-T20N-R28E  
Apache County

Henry Fullop called regarding the letter he had received dated October 27, 1970, inquiring about the well drilled on this section and designated Ancon 21 according to the dry hole marker. Approximately 500' southeast of this well is another well also designated Ancon 21.

According to Mr. Fullop this plugged well was started after he had received oral permission from Mr. Ludwig. Eastern never received the permit and the Commission ordered the drilling stopped. Upon the cessation of drilling activities and while awaiting a formal hearing, the drill pipe was left hanging in the well (circulation had been lost at 558'). At the hearing Eastern was refused permission to drill this well and ordered to plug and abandon the hole. At this time in the history of this well the total depth was approximately 558'. Seven inch surface casing had been run to 235' and cement circulated to the surface. When an attempt was made to pull the drill pipe it was found to be stuck. Wash-over pipe was run and it also became stuck. Apparently the wash-over pipe was eventually freed and pulled from the hole. Fullop reports leaving two drilling collars, a sub, and a bit in the hole and pumped the entire hole full of cement and set a dry hole marker.

After ~~plugging~~ plugging this hole, permit #234 was secured and the Ancon #21 was drilled and completed. We have a record of this second well on file.

The depths and details concerning this well are approximate and recalled from memory without records by Mr. Fullop.

**SUNDRY NOTICES AND REPORTS ON WELLS**

1. Name of Operator Eastern Petroleum Company  
 2. OIL WELL ☐ GAS WELL ☒ OTHER ☐ (Specify) \_\_\_\_\_  
 3. Well Name Eastern-Ancon Santa Fe #21  
 Location SE NW  
 Sec. 31 Twp. 20N Rge. 28E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease \_\_\_\_\_  
Santa Fe Pacific R.R. Co.

5. Field or Pool Name \_\_\_\_\_

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

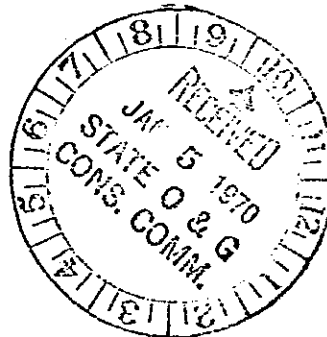
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>		ABANDONMENT <input type="checkbox"/>
(OTHER) <u>Shut-in</u>	<input checked="" type="checkbox"/>	(OTHER) _____	<input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Well shut in since July 31, 1969

Plans for producing indefinite at this time



8. I hereby certify that the foregoing is true and correct.

Signed [Signature] Title Secretary Date Jan 2, 1970

Permit No. 234

STATE OF ARIZONA  
 OIL & GAS CONSERVATION COMMISSION  
 Sundry Notices and Reports On Wells  
 File Two Copies  
 Form No. 25

# 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

1. Name of Operator Arizona Helium Corp.

2. OIL WELL ☐ GAS WELL ☒ OTHER ☐ (Specify) \_\_\_\_\_

3. Well Name Eastern-Santa Fe Ancon 21 Permit #234

Location SENW

Sec. 31 Twp. 20N Rge. 28E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease Santa Fe

5. Field or Pool Name \_\_\_\_\_

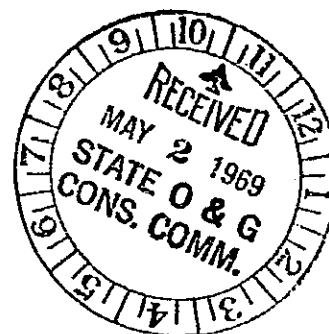
6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input checked="" type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) _____	ABANDONMENT <input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

44  
Still testing but tied into production as of April 10, 1969; report to follow.



8. I hereby certify that the foregoing is true and correct.

Signed Robert B. MacHugh Title Leasing Manager Date May 1, 1969

Permit No. 234

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION  
Sundry Notices and Reports On Wells  
File Two Copies

Form No. 25

April 10, 1969

MEMO TO: Arizona Helium File

FROM : James Scurlock

Mr. Robert MacFough was in the office this date. Reports Arizona Helium Corporation started production last night. They have been beset with much trouble in the past few months. Replacing CO<sub>2</sub> scrubbing unit and relaying some field pipe. The Poly Vinyl Chloride piping blew up on two occasions during testing periods. The laboratory specs had indicated that this pipe would withstand pressures up to 1100 pounds per square inch; but, it failed when subjected to 200 pounds of line pressure by Arizona Helium Corporation. The pipe exploded and caused a rip in the line over long distances.

The company now has begun to use fiberglass pipe which seems to work well.

At present, three wells are tied into the plant: the Eastern #21 Accon Santa Fe, Section 31, T20N, R36E; the Eastern #25 Santa Fe, Section 27, T20N, R37E; and the new Crest #1 Santa Fe, Section 25, T20N, R37E. These three wells now are delivering approximately 450,000 cubic feet of raw gas per day to the plant. A compressor located approximately 1/2 of a mile from the plant strengthens the line pressure to 200 pounds as it enters the plant. The raw gas consists of about 8.5% helium. If these wells can continue to deliver at this steady rate, the plant theoretically should be able to produce about 1,000 MCF of grade 1 helium per month. We understand from Mr. MacFough that about 1,500 MCF per month would be required to break even economically. Therefore, the plant will be producing initially at a loss.

Immediate plans include working over the Crest #2 Santa Fe, Section 25, T20N, R37E. This well has had some problems with water; however, the operator has great hopes in this well as a good producer. This #2X well is already tied into the plant but is not yet on production.

234 - ✓  
263  
471  
473

MEMO: FILES  
FROM: J. SCURLOCK

1-29-69

Re: Arizona Helium Plant, Navajo, Arizona

Visited Arizona Helium Plant. Conversation with Mr. Dick McDonald. Mr. McDonald indicated that he hoped to have the plant on production by March 15. According to him, the situation was very favorable. At present four wells have been tied into the plant:

1. Ancon #21 ( a shinarump producer) This well is expected to make approximately 1,000 CFG per day with no water.
2. #35 Santa Fe (located in Navajo Springs Unit) Operator will be allowed to take 70,000 CFG per day from this well; that is to say, 16% of the allocated Navajo Springs production.
3. #1 Well (located in section 25, SE) This well is expected to produce about 400,000 CFG per day with 25 barrels of water.
4. #8X Well (located in SW of section 25) This well is expected to produce about 300,000 CFG per day with about 30 barrels of water.

Mr. McDonald indicated that these four wells will produce enough gas to put the plant on stream, initially; but that much more raw gas would be needed in the future. Therefore, the company anticipates drilling about 25 wells this year in the south Navajo area on company acreage. They have great hopes for the shinarump production in this area.

Eastern  
#21  
Santa Fe  
#234

Eastern #35  
Santa Fe  
#263

#471  
Crest - Ariz.  
Helium  
Santa Fe  
#1

Crest - Ariz Helium  
#8X Santa Fe  
#473

Telephone Doc Swain 11-19-68

#234

Eastern Ancon now tied in to

Aniz. The plant for testing.

Shinarump produces. Well was  
fracked with CO<sub>2</sub>. Comes into  
plant with surges of excess CO<sub>2</sub> -

at times too much for plant to  
handle. However this should be OK

as CO<sub>2</sub> is produced it will reduce  
in amount. Well should produce

approx 100,000 cfpd when put on  
steady stream.

**SUNDRY NOTICES AND REPORTS ON WELLS**

1. Name of Operator Arizona Helium Corp.

2. OIL WELL ☐ GAS WELL ☒ OTHER ☐ (Specify) \_\_\_\_\_

3. Well Name Eastern-Santa Fe Ancon 21

Location SENW

Sec. 31 Twp. 20N Rgc. 28E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease Santa Fe

5. Field or Pool Name -----

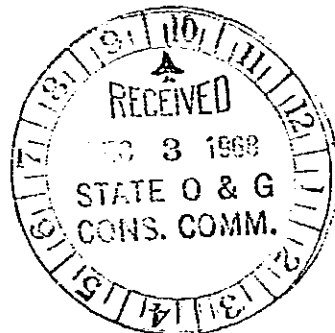
6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input checked="" type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) <input type="checkbox"/>	ABANDONMENT <input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

No Change In Status



8. I hereby certify that the foregoing is true and correct.

Signed Robert B. Ingers Title Leasing Manager Date Dec 2, 1968

Permit No. 234

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION  
Sundry Notices and Reports On Wells  
File Two Copies

Form No. 25

*file Mar. 31, 1969*

**SUNDY NOTICES AND REPORTS ON WELLS**

1. Name of Operator Arizona Helium Corp.

2. OIL WELL ☐ GAS WELL ☒ OTHER ☐ (Specify) \_\_\_\_\_

3. Well Name Eastern-Santa Fe Ancon 21

Location SE NW

Sec. 31 Twp. 20N Rge. 28E County Apache, Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease S.F.R.R.

5. Field or Pool Name \_\_\_\_\_

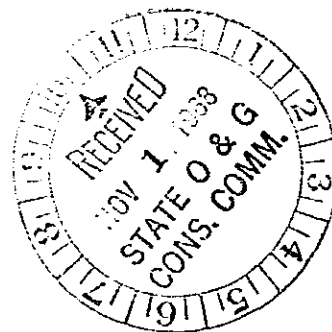
6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input checked="" type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) <input type="checkbox"/>	ABANDONMENT <input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Preliminary report indicates the presence of carbon dioxide. Running test to determine carbon dioxide content.



8. I hereby certify that the foregoing is true and correct.

Signed Robert B. Sipe - Laugh Title Leasing Manager Date October 31, 1968

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION  
Sundry Notices and Reports On Wells  
File Two Copies

Permit No. 234

Form No. 25

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Arizona Helium Corp.

2. OIL WELL ☐ GAS WELL ☒ OTHER ☐ (Specify) \_\_\_\_\_

3. Well Name Eastern-Santa Fe Ancon 21

Location SENW

Sec. 31 Twp. 20N Rge. 28E County Apache Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease SFRR

5. Field or Pool Name \_\_\_\_\_

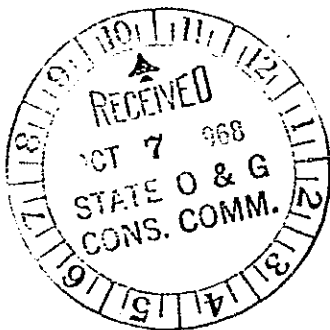
6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:			SUBSEQUENT REPORT OF:		
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input checked="" type="checkbox"/>		
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>		
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>		
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) <input type="checkbox"/>	ABANDONMENT <input type="checkbox"/>		

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Pipeline is tied in waiting for the Arizona Helium Corp. Extraction plant to start up.



8. I hereby certify that the foregoing is true and correct.

Signed Robert B. Sykes, Jr. Title Leasing Manager Date 4 October 1968

Permit No. 234

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION  
Sundry Notices and Reports On Wells  
File Two Copies  
Form No. 25

OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL OR GAS FROM LEASE		
Federal, State or Indian Lease Number, or lessor's name if fee lease <b>Eastern-Ancon Santa Fe #21</b>	Field <b>Navajo Springs Area</b>	Reservoir <b>Shinarump</b>
Survey or Sec-Twp-Rge <b>NWSENW Sec. 31: T. 20N-R28E</b>	County <b>Apache</b>	State <b>Arizona</b>
Operator <b>Apache Drilling Co., Inc.</b>		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street <b>3440 N. 16th St. Suite 10</b>	City <b>Phoenix</b>	State <b>Arizona</b>
Above named operator authorizes (name of transporter) <b>Arizona Helium Copp. Phoenix, Arizona</b>		
Transporter's street address <b>P O Box 14427</b>	City <b>Phoenix,</b>	State <b>Arizona</b>
Field address <b>Navajo, Arizona</b>		
Oil, condensate, gas well gas, casinghead gas		
To transport <b>100</b>	% of the <b>Gas</b>	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
<b>Apache Drilling Co., Inc.</b>	<b>100</b>	<b>Gas</b>
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change.  <i>The following</i>  <b>NEW LEASE</b>		

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Vice President of the Apache Drilling Co., Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Date 9-May 1967

Signature C. J. Henderson

Date approved: 2-7-68

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION

By: John W. Gannister

Permit No. 234

*Production Anticipated  
as of 9-1-67*

*Designation of Operator  
received 2-7-68  
JB*

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION  
Operator's Certificate of Compliance & Authorization to  
Transport Oil or Gas from Lease  
File Two Copies

Form No. 8

DESIGNATION OF OPERATOR

The undersigned is the record holder of Lease:  
(Number or name of lease and description of entire lease acreage)

Eastern-Ancon Santa Fe #21  
Sec. 31-T20N-R28E, Apache County, Arizona

and hereby designates

NAME: Apache Drilling Co., Inc.

ADDRESS: 50 Giconda Way, Casa Adobes Plaza  
Tucson, Arizona 85704

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and all regulations, whether Federal, Indian, State, or local, applicable thereto and on whom may be served written or oral instructions in securing compliance with all the applicable lease terms, and rules and regulations of the Oil and Gas Conservation Commission, State of Arizona, with respect to:

(Describe only the acreage to which this designation applies)

Sec. 31:T20N - R. 28E, Apache County, Arizona

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and with all the applicable rules and regulations of the Oil and Gas Conservation Commission, State of Arizona. It is understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the record holder of the lease remains primarily responsible for and will make full and prompt compliance with all applicable lease terms, the rules and regulations of the Oil and Gas Conservation Commission, State of Arizona, or orders of other appropriate regulatory governmental agencies.

The lessee agrees promptly to notify all proper authorities and appropriate regulatory governmental agencies on any change in the designated operator.

The designated operator agrees to promptly notify all proper authorities of any change of his address during the period in which this designation of operator is in force.

EASTERN PETROLEUM COMPANY

By Henry Fullop Pres.  
Lessee

Apache Drilling Co., Inc.  
W. Johnson Pres.  
Designated Operator

1-29-68  
(Date)

2-6-68  
(Date)

234

DESIGNATION OF OPERATOR

The undersigned is the record holder or lessee:  
(Number or name of lease and location of entire lease acreage)

Recorded in Book 10, Page 101  
State of Arizona, Apache County, Arizona

and hereby designates

NAME: Apache Drilling Co., Inc.

ADDRESS: 30 Glendale Way, Casa Adobe Plaza  
Tucson, Arizona 85704

as his operator and local agent, with authority to act in his behalf  
in complying with the terms of the lease and all regulations, whether  
Federal, State, or local, applicable thereto and on whom may be  
served written or oral instructions in securing compliance with all the  
applicable lease terms and rules and regulations of the Oil and Gas  
Conservation Commission, State of Arizona, with respect to:

(Describe only the subject to which this designation applies)

Oil, Gas and Geothermal Resources - Apache County, Arizona

It is understood that this designation of operator does not relieve  
the lessee of responsibility for compliance with the terms of the lease  
and with all the applicable rules and regulations of the Oil and Gas  
Conservation Commission, State of Arizona. It is understood that this  
designation of operator does not constitute an assignment of any interest in  
the lease.

In case of default on the part of the designated operator, the record  
holder of the lease remains primarily responsible for and will make full  
and prompt compliance with all applicable lease terms, the rules and  
regulations of the Oil and Gas Conservation Commission, State of Arizona,  
or orders of other appropriate regulatory governmental agencies.

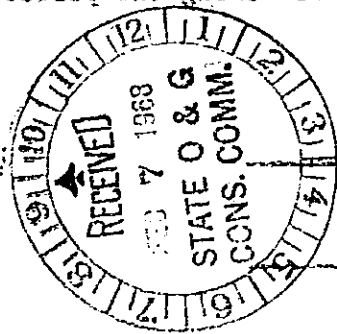
The lessee agrees promptly to notify all proper authorities and  
appropriate regulatory governmental agencies on any change in the designated  
operator.

The designated operator agrees to promptly notify all proper authorities  
of any change of his address during the period in which this designation of  
operator is in force.

EASTERN PETROLEUM COMPANY

By Robert J. [Signature]  
Lessee

[Signature]  
Designated Operator



1-27-68  
(Date)

1-27-68  
(Date)

534

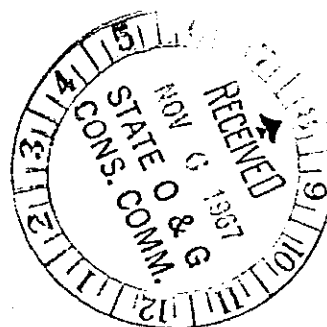


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF MINES

Budget Bureau No. 42-2619.9.  
Approval expires June 30, 1968.

GAS WELL DATA  
SURVEY OF HELIUM-BEARING NATURAL GAS

F.S. \_\_\_\_\_



Fill out as fully as possible and return to  
Bureau of Mines, P. O. Box 10085, Amarillo, Texas 79106

STATE Arizona COUNTY Apache  
FIELD Unnamed WELL NAME Santa Fe No. 21  
LOCATION SE/4 NW/4 Sec. 31-T20N-R28E OWNER Apache Drilling Company  
OWNER'S ADDRESS See Remarks  
DATE COMPLETED 9-13-67 DATE SAMPLED 10-31-67  
SAMPLED BY Ewell N. Walsh, Registered Professional Engineer  
NAME OF PRODUCING FORMATION Shinarump  
DEPTH (FEET) 1172' THICKNESS (FEET) 20'  
SHUT-IN WELLHEAD PRESSURE, PSIG 134.5 OPEN FLOW, MCF/D 177

REMARKS: Send results of Analysis to  
Mr. John Bannister  
Executive Secretary  
Arizona Oil and Gas Conservation Commission  
1624 West Adams, Room 202  
Phoenix, Arizona 85007

SAMPLING INSTRUCTIONS

PLEASE COLLECT DUPLICATE SAMPLES AS FOLLOWS: Fill the bottle with water and invert in a bucket of water. Be sure that no air gets into the bottle. Attach a rubber hose to the well and allow gas to flow through the hose for 2 or 3 minutes, or long enough to be sure that the hose is completely purged. Place the end of the hose in the mouth of the bottle. When all of the water has been displaced from the bottle, stopper the bottle while it is still inverted under water. Label each bottle clearly, giving the well owner and the name of the well, using the gummed labels furnished. Please repack the bottles in the mailing tube and return by regular mail, using the enclosed self-addressed label, which requires no postage.

To prevent the bottle top from popping open, the spring clips should be taped down.

EWELL N. WALSH  
PETROLEUM ENGINEER CONSULTANT  
PETROLEUM CLUB PLAZA BLDG.  
P. O. BOX 254  
FARMINGTON, NEW MEXICO

November 3, 1967



TELEPHONE BUS. 325-8203  
RES. - 325-6455

Mr. John Bannister  
Executive Secretary  
State of Arizona  
Oil and Gas Conservation Commission  
1624 West Adams, Room 202  
Phoenix, Arizona 85007

Ref: Open Flow Potential Test of  
Apache Drilling Co., Santa Fe  
Wells No. 8 and 21 in Apache  
County, Arizona.

Dear Mr. Bannister:

The subject wells were tested on October 31, 1967. The following are my observations and remarks concerning the Open Flow Potential Tests.

Santa Fe No. 8 (134)

The shut in casing pressure of the well was measured, with a dead weight pressure gauge, to be 199.5 psig. The well was opened to flow through a 2" Critical Flow Prover with a 3/8" (0.3750") orifice plate. The following are the results of the test:

Time	Prover Press. psig.	Prover Temp. F	Gas Volume MCF/D	Remarks
15 Min.	190.5		470	
30 Min.	187.5		465	
45 Min.	179.5		442	
1 Hr.	154.5		381	
2 Hr.	123.5		304	Heavy Mist of H <sub>2</sub> O
2 Hr. 15 Min.	122.5		303	" " " "
2 Hr. 30 Min.	122.0	60	302	" " " "
	Change to 1/2" (0.5000") orifice plate			
1 Hr.	117.5		576	Heavy Spray of H <sub>2</sub> O
1 Hr. 15 Min.	117.5		576	" " " "
1 Hr. 30 Min.	117.5	65	576	" " " "
	Change to 3/4" (0.7500") orifice plate			
1 Hr.				Well flowing heavy spray of water with some heading of flow.
	Opened well through 2" pipe			
3 Hr.				Well flowing heavy spray of water in heads.

# 234  
35

Mr. John Bannister

-2-

November 3, 1967

The well could not be properly tested due to the amount of water being produced with the gas. Except for the gas volume measurements during the first hour of flow, with the 3/8" orifice plate, the gas volume measurements should be considered inaccurate.

The well does seem to have good gas flow capacity. However, the well could only be properly tested after flowing the gas and water through a separator, to separate the water from the gas, and measuring the gas volume with a Critical Flow Prover. The separator to be used, in such a case, should have a minimum working pressure of 250 psig.

After shutting in the well a sample of the gas was obtained and has been forwarded to the Bureau of Mines, Amarillo Helium Plant at Amarillo, Texas. They have been requested to send the results of the analysis to the Commission.

Santa Fe No. 21 (234)

The shut in casing pressure of the well was measured, with a dead weight pressure gauge, to be 134.5 psig. The well was tested through a 2" Critical Flow Prover utilizing various sizes of orifice plates. The results of the Open Flow Potential Test are as indicated in the enclosed copies of Form G-1, Gas Well Open Flow Potential Test Report.

The well did not flow any water or liquids during the test. The results of the test were plotted on 3 cycle log graph paper and are as indicated on the enclosed copies. The well is estimated to have an Absolute Open Flow Capacity of 172 MCF per day. The following are estimates of the capacity of the well at various delivery pressures:

Delivery Press.	Estimated
Psig.	Gas Volume
	MCF/D
25	170
50	155
75	128
100	95

A sample of the gas was obtained and has been forwarded to the Bureau of Mines, Amarillo Helium Plant at Amarillo, Texas. They have been requested to send the results of the analysis to the Commission.

Mr. John Bannister

-3-

November 3, 1967

If you have any questions concerning the tests, please do not hesitate to call upon me.

Sincerely yours,



Ewell N. Walsh  
Registered Professional Engineer  
Arizona Reg. No. 6706

ENW:dfm  
Enclosures

# REPORT OF ANALYSIS

F.S.- 11203 M.S. N-35964 ,H 8.14 OBS. PRES. 64.6 CAL. PRES. 64.9  
 STATE- ARIZONA COUNTY- APACHE  
 FIELD- WELL NAME- SANTA FE NO. 21  
 LOCATION- SEC. 31, T20N, R28E OWNER- APACHE DRILLING CO.  
 DATE COMPLETED- 09-13-67 DATE SAMPLED- 10-31-67  
 SAMPLED BY- EWELL N. WALSH  
 NAME OF PRODUCING FORMATION- SHINARUMP  
 DEPTH IN FEET- 1172 THICKNESS IN FEET- 20  
 SHUT IN WELLHEAD PRES.,PSIG- 134 OPEN FLOW, MCF/D- 177

CHECK OF DATA-  
 THE WELL DATA ARE ACCURATE, ....WITHOUT CORRECTION, ....AS CORRECTED ABOVE.

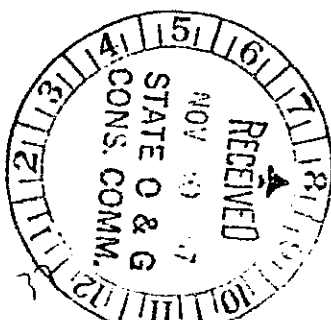
REMARKS-

## ANALYSIS-

METHANE	.1 %	NORMAL PENTANE	0.0 %	OXYGEN	0.0 %
ETHANE	.1 %	ISOPENTANE	0.0 %	ARGON	.8 %
PROPANE	0.0 %	CYCLOPENTANE	0.0 %	HYDROGEN	0.0 %
NORMAL BUTANE	0.0 %	HEXANES PLUS	0.0 %	H2S	0.0 %
ISOBUTANE	0.0 %	NITROGEN	80.5 %	CO2	9.8 %
SPECIFIC GRAV	.953			HELIUM	8.71 %
				TOTAL	100.0 %

CALCULATED GROSS BTU/CU FT, DRY AT 60 DEG F AND 30 IN. MERCURY- 3.

PERMISSION FOR RELEASE-  
 PERMISSION IS HEREBY GRANTED FOR THE BUREAU OF MINES TO RELEASE THE ABOVE  
 DATA, TOGETHER WITH SIMILAR DATA RELEASED BY OTHER OPERATORS AS PUBLIC  
 INFORMATION AND AS PARTS OF A SERIES OF PAPERS ON ANALYSES OF GASES FROM  
 VARIOUS FIELDS, STATES, OR REGIONS.



# 234

COMPANY.....  
 BY.....  
 TITLE.....

## WELL SITE CHECK

By JB  
Date 10-31-67

Contractor \_\_\_\_\_ Person(s) Contacted \_\_\_\_\_

Spud date \_\_\_\_\_

Type Rig \_\_\_\_\_ Rotary Cable \_\_\_\_\_ Present Operations Testing

Samples \_\_\_\_\_

Pipe \_\_\_\_\_ Drilling with Air \_\_\_\_\_ Mud \_\_\_\_\_

Water Zones \_\_\_\_\_ Size Hole \_\_\_\_\_

Lost Circ. Zones \_\_\_\_\_ Size Drill Pipe \_\_\_\_\_

Formation Tops \_\_\_\_\_ Type Bit \_\_\_\_\_

Cores, Logs, DST \_\_\_\_\_ No. Bit \_\_\_\_\_ Drilling Rate \_\_\_\_\_

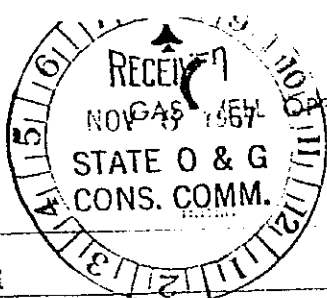
Formation \_\_\_\_\_

Crews \_\_\_\_\_ Lithology \_\_\_\_\_

## REMARKS, PHOTO, MAP

The Commission had Ewell Walsh, Farmington down testing this well (SE NW 31-20N-28E) and the Crest Santa Fe #8 (SE NW 25-20N-27E Permit 134). This well was stabilizing and seemed capable of making 135 MCFPD against 25 lbs pressure. Gas was caught to be sent to Amarillo for analysis. Mr. Walsh will make full report. Present Red Walsh, Mac Mac Laughlin, Dick McDonald, John Bannister - and geologist and representative of Aero Dynamics - This is Shinarump production

WELL NAME Eastern-Santa Fe-Ancon #21Permit No. 234  
Confidential: Yes No



OPEN FLOW POTENTIAL TEST REPORT  
4-POINT TEST

Field	Unnamed	Location	Grinarump	Test Date	10-31-67
Operator	Apache Drilling Co., Inc.	County	Santa Fe	Well No.	21
County	Apache	Location	SE/4 NW/4 Sec. 31-T20N-R28E	Completion Date	9-13-63
Producing Form	THQ	Flow Rate	2-7/8	Test Depth	1361
THQ Size	2-7/8	Flow Rate	2-7/8	Producing	1172177-06
Pipeline Connection	None	Type Taps			
Multiple Completion (Dual or Triplet)		Type production from each zone			

OPERATING DATA Flow Data								
No.	Time of Flow Hours	(Proven) MESEK Size	100000 (Orifice) Size	Press. psia	Diff. h w	Tubing Press. psig	Chasing Press. psig	Flowing Temp. °F
SI						No tubing 134.5		
1.	1.75	2"	0.1250"	125.0	-	-	126.0	64
2.	1.75	2"	0.2500"	90.0	-	-	90.0	65
3.	1.33	2"	0.3125"	66.5	-	-	66.5	65
4.	1.00	2"	0.3750"	49.0	-	-	49.0	64

FLOW CALCULATIONS							
No.	Coefficient (24 Hr.)	$\sqrt{\frac{h}{w}}$	$\frac{p}{m}$	Pressure psia	Flow Temp. Factor $\frac{F}{t}$	Gravity Factor $\frac{F}{g}$	Rate of Flow Q MCF/D
1.	0.3418	-	-	138.0	0.9962	0.8076	1.0000
2.	1.4030	-	-	102.0	0.9952	0.8076	1.0000
3.	2.1577	-	-	78.5	0.9952	0.8076	1.0000
4.	3.0697	-	-	61.0	0.9962	0.8076	1.0000

PRESSURE CALCULATIONS								
	$\frac{P_t}{P_c}$ (psia)	$\frac{P_t}{P_c}$	$\frac{F Q}{F_c Q_c}$	$\frac{(F Q)^2}{(F_c Q_c)^2}$	$\frac{(F Q)^2}{(F_c Q_c)^2} \times 10^{-5}$	$\frac{P_t}{P_c}$	$\frac{P_t - P_c}{P_c}$	$\frac{P_t}{P_c}$
1.	138.0	19.044	0.211	0.045	0.003	19.047	2.416	138
2.	102.0	10.404	0.638	0.407	0.031	10.434	11.029	102
3.	78.5	6.162	0.755	0.570	0.041	6.203	15.260	79
4.	61.0	3.721	0.838	0.702	0.053	3.774	17.689	61
Absolute Potential		172	MCF/D		0.70			

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the \_\_\_\_\_ of the \_\_\_\_\_ (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Note: Sp. Gr. (Assumed) -0.920  
Fc -5.551  
1-e-s -0.075

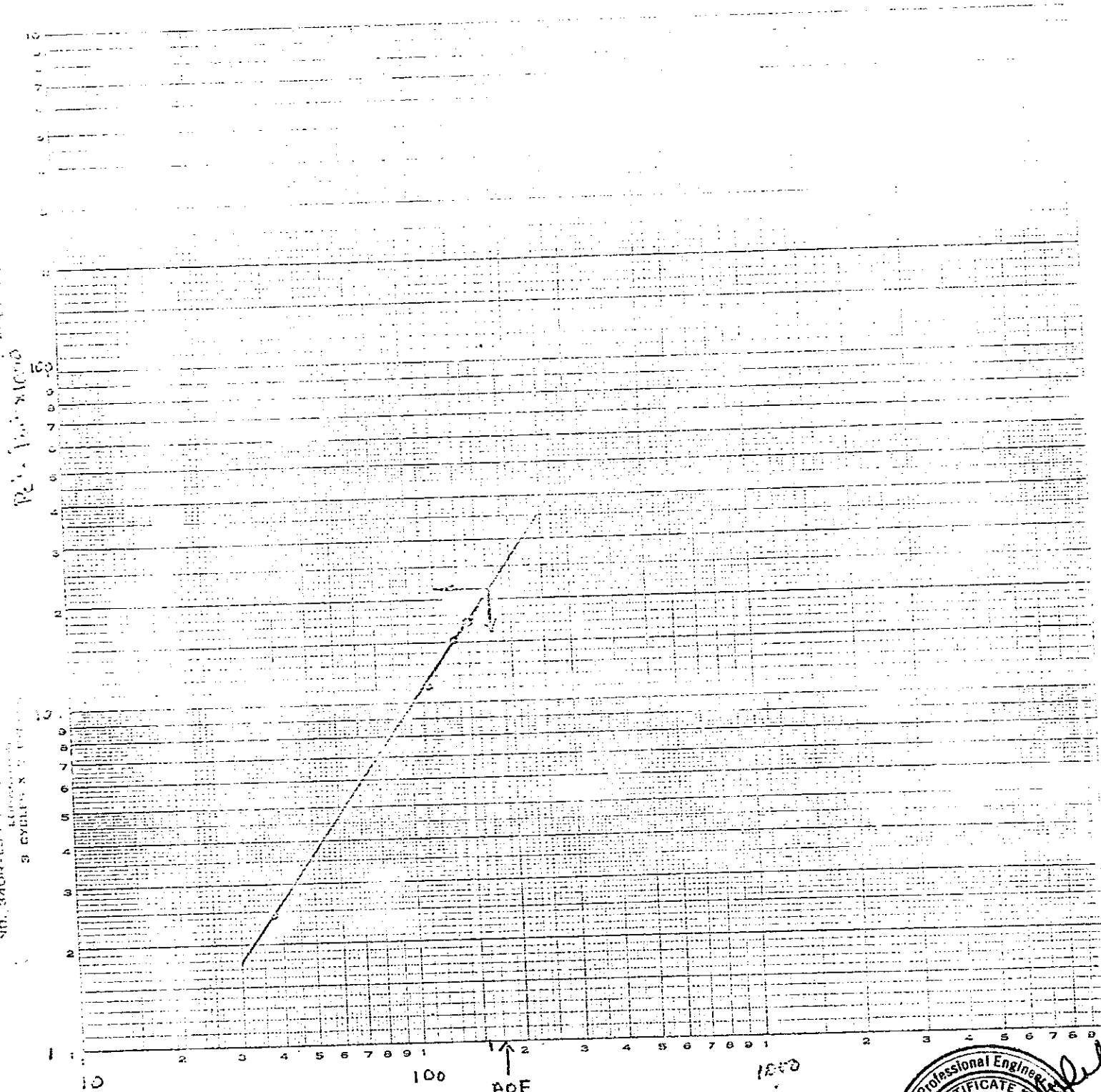
Test conducted for the  
Arizona Oil and Gas Conserva-  
tion Commission

Signature Registered Professional Engr.  
Arizona Reg. No. 6706

STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION
Gas Well Open Flow Potential Test Report (4-Point Test)
Form No. G-1
Effective _____ 19____

# 234

Apache Drilling Company  
 Santa Fe No. 21  
 SE/4, T.4N-R.3E-S.31-40N-R28E  
 Apache County, Arizona  
 Date 11-11-67

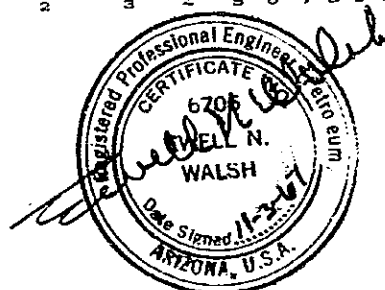


ADP  
 172 MCF/D

Q - MCF/D

# 234

40



# SUNDY NOTICES AND REPORTS ON WELLS

1. Name of Operator Eastern Petroleum Co.  
2. OIL WELL ☐ GAS WELL ☒ OTHER ☐ (Specify) \_\_\_\_\_  
3. Well Name Santa Fe #21  
Location SE/4 NW/4  
Sec. 31 Twp. 18N Rge. 28E County Apache Arizona.  
4. Federal, State or Indian Lease Number, or lessor's name if fee lease Santa Fe  
5. Field or Pool Name Wild-cat

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input checked="" type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) <input type="checkbox"/>	ABANDONMENT <input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

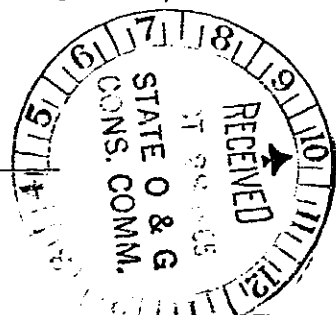
Tested well with Orifice Tester + on 3 point Back pressure Test, well tested 17 MCFPD before Frac. Frac well with 22 tons CO<sub>2</sub> (115 bbls liquid CO<sub>2</sub>) Formation broke at 600 # Pump 9 bbls/min @ 1000#. Shut in Pressure Approx. 500#. Open well + get CO<sub>2</sub> Flow back. Re Test well after CO<sub>2</sub> recovered + on 3 Point Back Pressure Test well had calculated open Flow of 195 MCF gas per day.

On 1/4" orifice Well Pressure leveled at 80 # + delivered 105 MCFPD	
on 5/16 " " " " 62 # " 130.4 "	
on 3/8 " " " " 44 # " 140.2 "	
on 7/16 " " " " 31 # " 154.2 "	

8. I hereby certify that the foregoing is true and correct.

Signed Joe B. Barnett Title Geologist Date 10-28-65

Permit No. 234



STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION  
Sundry Notices and Reports On Wells  
File Two Copies  
Form No. 25

100-250 100-250

Prepared By  
Approved By

FLOW RATES ON WELLS  
IN NAVAJO SPRINGS FIELD, APACHE COUNTY, ARIZONA

RATES WITH PRESSURE CLOSE TO 100#

S.I.P.	WELL NAME	ORIFICE SIZE	WELL TUBING	2" PROVER	HOURS	VOLUME
PSIG		2" PROVER	PRESS-PSIG	PRESS - PSIG	TESTED	MCFPD
106.7	Santa Fe 35	7/16	96.0	91.5	15 1/2	365
106.7	" " 31	3/16	95.9	93.9	17 1/2	48
106.6	" " 32	1/8	105.7	105.7	17 1/2	39
133.8	" " 21	1/16	59.5	59.5	18 1/2	4
105.6	" " 13		99.8	92.9	15	980
105.4	" " 7	1/8	99.9	99.9	15 1/4	4
105.4	" " 14	3/8	97.4	97.4	15 1/2	270
105.5	" " 17	3/16	98.5	98.5	16 3/4	70
201.5	" " 8		91 - 93	121 1/2	18 1/4	7 bbls. salt water/hr.
105.5	" " 2	Well pulled down 1/4 small vol. water & gas, slightly salty.				1800 MCFPD
	* Orifice well	water.				
After Testing		MAXIMUM RATE OF FLOW				
106.6	Santa Fe 35	3/4	80.1	55.1	2 1/2	568
106.6	" " 31	1/2	76	76	2 1/2	394
106.5	" " 32	1/2	Well slight pressure kept falling			39
133.9	" " 21	Same as No. 21 above.				
105.6	" " 13		94.1	94.1	4	1900
105.4	" " 7	1/2	31.9	31.9	2 1/4	28
105.4	" " 14	7/8	71.6	39.7	3 1/4	700
105.5	" " 17	7/8	19.7	19.7	2	435
Not Taken	" " 8		9	13	18 1/4	448
Not Taken	" " 2	Same as No. 2 above.				

PH. B. Eymann  
August 13, 1964

Philip B. Emmert  
August 13, 1964

23

## APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

APPLICATION TO DRILL ☒ DEEPEN ☐ PLUG BACK ☐

NAME OF COMPANY OR OPERATOR Eastern Petroleum Co. DATE May 22, 1963

P. O. Box 291 Carmi Illinois  
Address City State

## DESCRIPTION OF WELL AND LEASE

Name of lease	Well number	Elevation (ground)
Ancon-Santa FE Fee	21	5832
Well location (give footage from section lines)	Section—township—range or block & survey	
1650' S. of N.L.; 1650' E. of W.L.	31-20N-28E	
Field & reservoir (If wildcat, so state)	County	
Wildcat	Apache	
Distance, in miles, and direction from nearest town or post office		
Approx. 8 miles south of Chambers		
Nearest distance from proposed location to property or lease line:	Distance from proposed location to nearest drilling, completed or applied—for well on the same lease:	
1650' feet	--- feet	
Proposed depth:	Rotary or cable tools	Approx. date work will start
1100'	Rotary	5-24-63
Number of acres in lease:	Number of wells on lease, including this well, completed in or drilling to this reservoir:	
640	One	
If lease, purchased with one or more wells drilled, from whom purchased:	Name	Address

Status of bond

Blanket Bond of Eastern Petroleum Company

Remarks: (If this is an application to deepen or plug back, briefly describe work to be done, giving present producing zone and expected new producing zone)

\* Fill in Proposed Casing Program on other side

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Secretary of the Eastern Petroleum Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

May 22, 1963  
Date

Signature

Permit Number: 234  
Approval Date: 8-5-63  
Approved By: R. K. [Signature]  
Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.  
See Instruction on Reverse Side of Form

STATE OF ARIZONA OIL & GAS  
CONSERVATION COMMISSION  
Application to Drill, Deepen or Plug Back  
Form No. P-1 File two copies  
Authorized by Order No. 4-859  
Effective April 6, 1959

INSTRUCTIONS

READ CAREFULLY AND COMPLY FULLY

For the purpose of this determination attach hereto a neat, accurate plat, map or sketch of this lease, section, block or lot locating thereon the proposed site for this location. Plat shall be drawn to a scale which will permit the facile observation of all pertinent data. Show distances of the proposed well from the two nearest lease and section lines, and from the nearest wells on the same lease completed in or drilling to the same reservoir. If the location requested is not in conformance with the applicable well-spacing rules, show all off-setting wells to the proposed well, and the names and addresses of all adjoining lease or property owners.

In event plat is filed for the purpose of designating the drilling and producing unit, or proration unit, on which the proposed well is to be drilled, the boundaries of such unit shall be shown, also the boundaries of all other such units attributed to other wells on the same lease completed in or drilling to the same reservoir. The acreage contained within each unit shall also be shown.

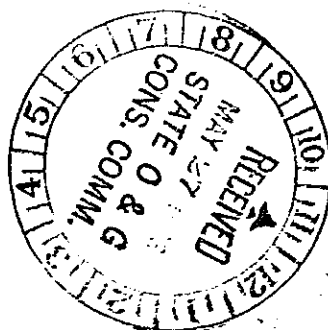
Do not confuse survey lines with lease lines. The sketch or plat should show your entire lease if possible. If it is not practical to show the entire lease and the plat shows only a section, block or lot out of your lease, you should clearly show that same is only a part of the lease.

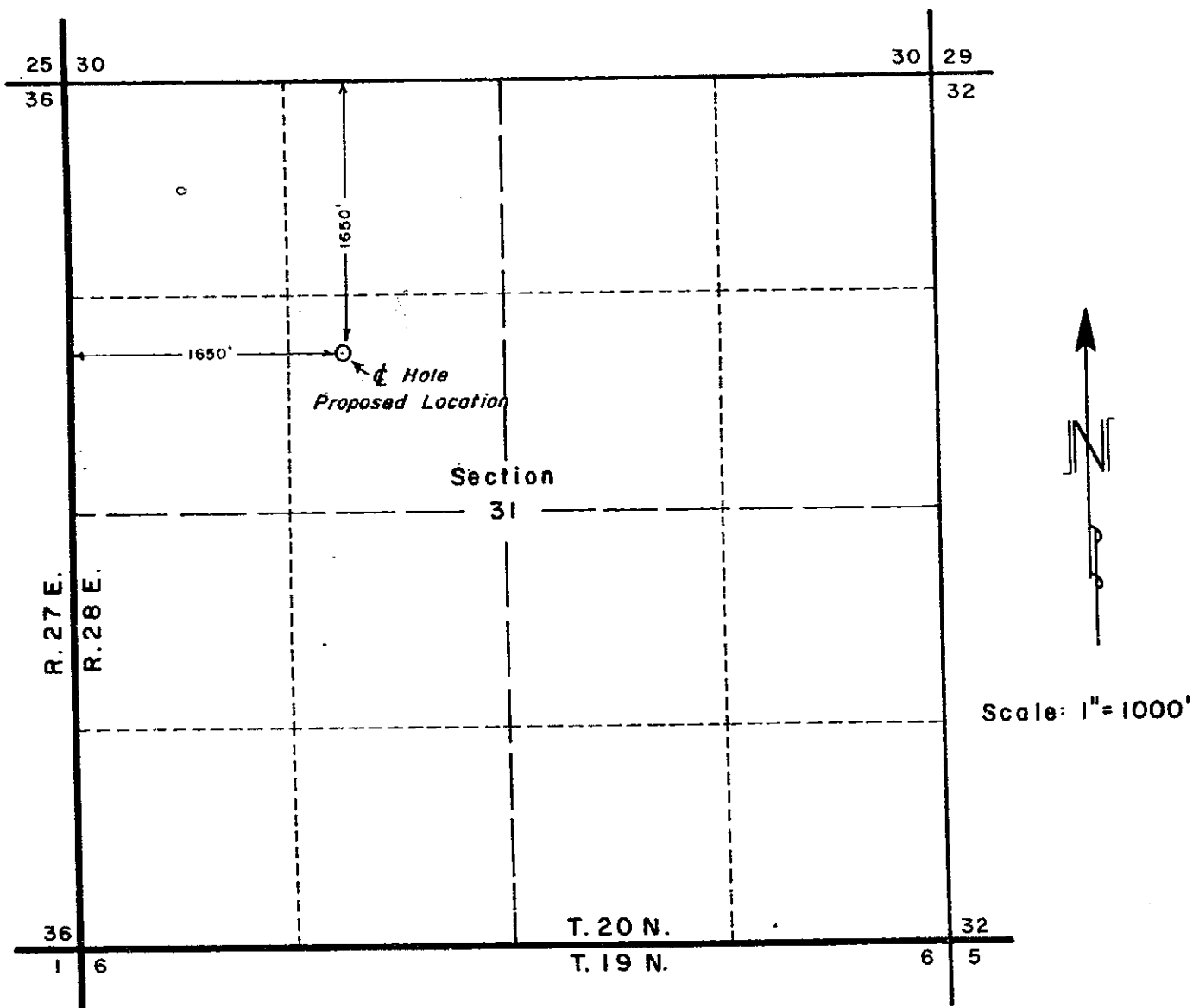
Designate scale to which plat or sketch is drawn. Also designate northerly direction on the sketch or plat.

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement
7" sfc.	23	J-55	0	60'	60'	30

Form No. P-1





**WELL LOCATION: Eastern Petroleum - Santa Fe # 21**

Located 1650 feet South of the North line and 1650 feet East of the West line of Section 31,  
Township 20 North, Range 28 East, Gila & Salt River Meridian  
Apache Co., Arizona

I hereby certify the above plat represents a survey  
made under my supervision and that it is accurate  
to the best of my knowledge and belief.

*Elmer M. Clark*

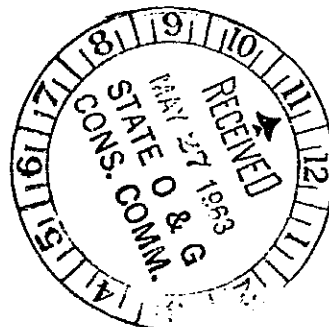
ELMER M. CLARK  
Registered Land Surveyor  
State of Arizona # 4973

**EASTERN PETROLEUM**

**WELL LOCATION PLAT**  
Sec. 31, T. 20 N., R. 28 E.  
Apache Co., Arizona

E.M. CLARK & ASSOC.  
Durango, Colorado

DATE: March 4, 1963  
FILE NO: 63010





OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

4515 NORTH 7TH AVE.  
PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

April 7, 1975

Mr. J. N. Edwards  
Eastern Petroleum Co.  
P. O. Box 291  
Carmi, Illinois 62821

Re: Commission Ordered Plugged Wells  
Navajo Springs Area

Dear Mr. Edwards:

In reply to your letter of April 3, 1975 regarding the wells that Mr. C. G. Wallace has indicated interest in acquiring in order to convert to water wells, this office has had no word from Wallace regarding his intentions. We did, at Mr. Wallace's request furnish him with copies of electric logs of these wells, however, that has been the extent of our communications with him.

On March 13, 1975 we wrote you regarding Plugging Reports on the wells you have recently plugged in the Navajo Springs area. We also requested this information from Mr. Fullop in a telephone conversation on February 20, 1975. As of this date, neither of you have seen fit to furnish this information. I would call your attention to Rule 202, C., Plugging Methods and Procedures of our Rules and Regulations. I would also call your attention to ARS Section 27-527, Penalties, copies of each are attached. The mood of the Commission is such that they could easily decide to enforce these penalties should you continue to fail to respond to our request.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb

cc Mr. Fullop

Encs.

234



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE (618) 382-4104 • P.O. BOX 291 • CARMEL, ILLINOIS 62821

April 3, 1975

Mr. W. E. Allen  
Oil & Gas Conservation Comm.  
4515 North 7th Avenue  
Phoenix, Arizona 85013

Dear Mr. Allen:

Please refer to our letter of January 24 to C. G. Wallace concerning transfer and acceptance of five wells for water wells.

We've had no response from Mr. Wallace. If he did formally accept these wells or any of them will you please mail us photocopies.

Yours very truly,

EASTERN PETROLEUM COMPANY

*J. N. Edwards*  
J. N. Edwards

JNE:sjn

RECEIVED

APR 6 1975

O & G CONRS. COMM.

224



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
4515 NORTH 7TH AVE.  
PHOENIX, ARIZONA 85013  
PHONE: (602) 271-5161

March 13, 1975

Mr. J. N. Edwards  
Eastern Petroleum Co.  
P. O. Box 291  
Carmi, Illinois 62821

Re: Commission Ordered Plugged Wells  
Navajo Springs Area

Dear Mr. Edwards:

Your letter of March 10, 1975, requesting approved plugging forms for each well has been received. Prior to approving the applications to abandon and plug these wells, it will be necessary for you or some member of your firm to submit these copies detailing the manner in which the wells were plugged and the depth at which they were placed.

In a telephone conversation with Mr. Fullop several days ago we requested that these forms be submitted.

Please submit these forms as quickly as possible.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb

Encs.



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE 313 282-4104 • P.O. BOX 291 • CARPENTERSVILLE, ILLINOIS 61821

March 10, 1975

Mr. W. E. Allen  
Arizona Oil & Gas Cons. Comm.  
4515 North 7th Avenue  
Phoenix, Arizona 85013

Re: Commission Ordered Plugged Wells

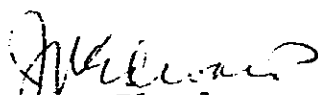
Dear Mr. Allen:

We are informed the wells ordered by the Commission to be plugged have been plugged.

Would you please send approved plugging copies of each well. I would presume the bond on these wells could be released.

Yours very truly,

EASTERN PETROLEUM COMPANY

  
J. N. Edwards

JNE:sjn

234

RECEIVED

MAR 13 1975

O & G CONS. COMM.

DATE: February 20, 1975  
SUBJECT: Eastern Petroleum Company Wells  
TO: 13 Eastern Files  
FROM: W. E. Allen, Director, Enforcement Section

Called Henry Fullop this date requesting plugging reports on all wells plugged and completion report on the Merde No. 2 well. Also asked him to find out status of the placement of dry hole markers and cleanups.

January 20, 1975

Mr. Henry Fullop  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

Re: Eastern and Crest wells in the general area of Navajo Springs

Dear Mr. Fullop:

Attached is a list of wells drilled by Eastern and Crest in Apache County. According to our files this list reflects all wells that have been drilled by Eastern in this area. You will note that the list indicated the wells that have reportedly been plugged and abandoned, shut-in helium wells, production helium wells, some strat tests and also wells for which a permit was issued but were never drilled and the permits cancelled.

We have previously supplied you with lists of all the unplugged wells in this area and also the wells that have been ordered plugged by the Commission.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/r1b

Enc.

234

December 24, 1974

Memo to Eastern Petroleum File

Memo from W. E. Allen, Director, Enforcement Section

Henry Fullop called December 20th. At that time he said that they planned on starting plugging operations on the 24th of December. Fullop called again this morning and asked for a brief extension in time. He said his father was seriously ill in the hospital and that he felt he could not leave him at that time. He also said he felt it was necessary that he be here during the plugging operations since he was familiar with the well locations and the completion method. Fullop asked John Bannister and myself if he could have his equipment in the Navajo Springs area and ready to start plugging immediately after the first of the year if not before. We agreed to grant Fullop this additional time due to the illness of his father.

After talking with Fullop I checked with the contractor who is to do the work, Albert Gentles. Gentles assured me that they were going to do the plugging for Eastern and had already dispatched some equipment to the area. The other equipment along with the personnel would be leaving Carmi, Illinois, within the next few days.



UNITED STATES FIDELITY AND GUARANTY COMPANY

INDIANAPOLIS OFFICE

456 N. MERIDIAN ST., INDIANAPOLIS, IND. 46204

FOSTER & MESSICK, MANAGERS

December 23, 1974

WA  
~~Attorney General's Office~~  
~~State of Illinois~~  
~~Phoenix, Arizona~~

ATTENTION: Mr. Mousel

RE: Bond No. 27716-13-3983-65 - Eastern Petroleum Company -  
State of Arizona

Dear Mr. Mousel:

This will confirm our telephone conversation on December 19, 1974 in regard to the plugging of the oil wells for the Eastern Petroleum Company in reference to the order of the Oil and Gas Commission, Case No. 48, Order No. 47.

We are attaching hereto a copy of the letter from Mr. Henry Phullop of the Eastern Petroleum Company concerning the plugging of the 13 wells listed in the order.

Very truly yours,

FOSTER & MESSICK, MGRS.

Harold E. Uhrig  
Claim Supervisor

HEU:ja

Enc.

cc: Oil and Gas Conservation Commission  
State of Arizona  
4515 North Seventh Avenue  
Phoenix, Arizona 85013  
ATTN: Mr. W. E. Ellen, Director

RECEIVED

DEC 26 1974

O & G CONS. COMM.



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE (815) 362-4104 • P. O. BOX 291 • CARMI, ILLINOIS 62821

December 20, 1974

Mr. Harold E. Uhrig  
Foster & Messick, Mgrs.  
456 N. Meridian Street  
Indianapolis, Indiana 46209

Re: Case No. 48  
Arizona O & G Comm.

Dear Mr. Uhrig:

We intend to commence plugging the thirteen wells this coming week as ordered by the Commission and expect to have at least one, if not two, plugged by December 25, 1974.

We've had difficulty in engaging contractors. All have been afraid to tackle the job without definite assurance they would be free of possible suits. The action of the state should minimize this possibility.

Yours very truly,

EASTERN PETROLEUM COMPANY

Henry Fullop

HF:sjn

cc: Mr. Glenn Becker  
McCallister, Becker & Hall  
Carmi, Illinois

DATE: December 19, 1974  
MEMO: Eastern Petroleum Company File  
FROM: W. E. Allen, Director, Enforcement Section  
SUBJECT: Plugging - Eastern Petroleum Company's wells

Craig Mousel from the Attorney General's Office called this date to tell me that he had talked with Mr. Uhrig of U.S.F.&G. regarding the Commission's order to plug certain of Eastern's wells. Mr. Uhrig told Craig that Fullop had told him he was leaving Carmi either the 20th or the 21st to come down here and make arrangements for these wells to be plugged. Uhrig said that Fullop would call the Attorney General's Office when he was in town, however, since Craig will be out of town for the holidays, he will leave word for him to contact me. Uhrig also told Craig that it was his opinion that Eastern Petroleum was solvent in that there would be no trouble in them plugging these wells.

If work has not started by December 30, Craig is to contact Uhrig again.



OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

CERTIFIED MAIL

December 9, 1974

Mr. Harold E. Uhrig  
U. S. F. & G. Company  
456 Meridian Street  
Indianapolis, Indiana 46209

Re: Oil & Gas Conservation Commission, State of Arizona  
Order No. 47, Eastern Petroleum Company

Dear Mr. Uhrig:

The above referenced order names U. S. F. & G. Company as surety under Bond No. 27716-13-3983-65. This bond guarantees Eastern's compliance with the Commission's orders, rules and regulations.

This order stipulates that work required to bring Eastern Petroleum Company into compliance with this Commission's orders shall be started by December 25, 1974. Since the issuance of this order, this Commission has had no direct communication with Eastern. The purpose of this letter is to remind you that if Eastern has not started positive action by the compliance date, this Commission will expect U. S. F. & G. to initiate plugging operations on the various wells listed in the order. Enclosed for your information is a copy of this order.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb

Enc.

cc - Mr. Henry Fullop and Jess Edwards

234

DATE: December 9, 1974  
MEMO: John Bannister, Executive Secretary  
FROM: W. E. Allen, Director, Enforcement Section  
SUBJECT: Eastern Petroleum Company - Navajo Springs

I contacted Dan Leavell this morning regarding his intentions to plug Eastern's wells in the Navajo Springs area. Mr. Leavell had previously contacted me regarding this operation. When I talked with him this morning, he told me that Henry Fullop had changed his mind in regards to using Mr. Leavell and he thought that Eastern was considering a fellow by the name of Red Gentles to perform this work.

Gentles is the fourth person that has been mentioned as the contractor for the plugging of these wells. After talking with Leavell, I wrote a letter to U.S.F. & G. reminding them that if Eastern had not started plugging the wells by December 25, this Commission would expect U.S.F. & G. to initiate the plugging of these wells.

/rlb



OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85012

PHONE: (602) 271-5151

December 2, 1974

The Prentice-Hall Corporation System, Inc.  
521 Fifth Avenue  
New York, New York 10017

Attention: Mr. John F. Byrne, Jr.  
Vice President

Re: IN THE MATTER OF THE HEARING CALLED BY THE  
OIL AND GAS CONSERVATION COMMISSION OF THE  
STATE OF ARIZONA FOR THE PURPOSE OF CON-  
SIDERING:

CASE NO. 48

ORDER NO. 47

THE MOTION OF THE OIL AND GAS CONSERVATION  
COMMISSION THAT EASTERN PETROLEUM COMPANY,  
UNITED STATES FIDELITY AND GUARANTY COMPANY,  
AND THE PRENTICE-HALL CORPORATION SYSTEM  
SHOW CAUSE WHY THEY SHOULD NOT BE ORDERED  
TO PLUG CERTAIN WELLS AS BELOW LISTED

Gentlemen:

In reply to your letter of November 26, 1974, please be advised that the Oil and Gas Conservation Commission realizes that the position of The Prentice-Hall Corporation System, Inc. is merely that of statutory agent. The Commission has no intent to call upon Prentice-Hall for any reason whatsoever under our Order No. 47. You will note that in the body of the order, wherein Eastern Petroleum Corporation is required to perform certain tasks, no mention is made of Prentice-Hall.

Consequently, let us assure you that the Commission is aware

The Prentice-Hall  
Corporation System, Inc.  
December 2, 1974  
Page 2

of your position and realizes that you are not involved in any  
manner in the performance of the requirements of this Order.

Sincerely,

*John Bannister*  
John Bannister  
Executive Secretary

JB/vb

cc - Mr. Hubert E. Kelly  
Kelly & Corbin  
550 W. Washington Street  
Phoenix, Arizona 85003

Mr. Henry Fullop  
Eastern Petroleum Company  
P.O. Box 291  
Carmi, Illinois 62821

The Attorney General  
State Capitol  
Phoenix, Arizona 85007

THE PRENTICE-HALL CORPORATION SYSTEM, INC.

212-687-7660

521 FIFTH AVENUE, NEW YORK, NEW YORK 10017

CABLE PRENSYSTEM

AIR MAIL =  
CERTIFIED MAIL NO. 170185

November 26, 1974

Hon. Ralph W. Bilby, Chairman  
Oil And Gas Conservation Commission  
State of Arizona  
Phoenix, Arizona 85003

RE: IN THE MATTER OF THE HEARING CALLED  
BY THE OIL AND GAS CONSERVATION  
COMMISSION OF THE STATE OF ARIZONA  
FOR THE PURPOSE OF CONSIDERING:

THE MOTION OF THE OIL AND GAS  
CONSERVATION COMMISSION THAT EASTERN  
PETROLEUM COMPANY, UNITED STATES  
FIDELITY AND GUARANTY COMPANY, AND  
THE PRENTICE-HALL CORPORATION SYSTEM  
SHOW CAUSE WHY THEY SHOULD NOT BE  
ORDERED TO PLUG CERTAIN WELLS AS  
BELOW LISTED

CASE NO. 48

ORDER NO. 47

Dear Sir:

Enclosed is a copy of the Order of your Commission, referred to  
above, which we have just received, indirectly, through our  
correspondents, Messrs. Kelly & Corbin of Phoenix, Arizona.

It is noted that "THE PRENTICE-HALL CORPORATION SYSTEM" has been,  
by this Order, directed to show cause why it, together with certain  
other corporations, including EASTERN PETROLEUM COMPANY, should  
not be ordered to "Plug Certain Wells."

According to our records, our company, THE PRENTICE-HALL CORPORATION  
SYSTEM, INC. is and has been serving as the "Statutory Agent" (see

Hon. Ralph W. Bilby, Chairman

-2-

November 26, 1974

Section 10-127, ARIZONA GENERAL CORPORATION LAW) since the date that the corporation so represented was qualified as a foreign corporation in Arizona, to wit: October 16, 1959.

Our relationship with said EASTERN PETROLEUM COMPANY is, and has been during that entire period, limited to the duties and responsibilities of a "Statutory Agent" under your law and never, in any way, involved in the business affairs or corporate objectives of said EASTERN PETROLEUM COMPANY.

Therefore, as it was error on the part of your Commission to designate THE PRENTICE-HALL CORPORATION SYSTEM, INC. in the above Order as a party thereto, we respectfully request that your Commission take immediate action to qualify or amend such Order to the extent necessary and appropriate to eliminate THE PRENTICE-HALL CORPORATION SYSTEM, INC. from the force and effect of the Order and, indeed, to eliminate our company from any involvement whatsoever in the proceedings underlying or resulting in the issuance of said Order.

To reiterate, our company does not, in any way, participate in the business activities of any of the corporations for which it acts as statutory process agent, its function being to merely provide the Registered Office as a place where process against corporations represented may be served and the forwarding of such process to the person or law firm which has been designated by the corporation or corporations so represented.

Please take immediate action in this matter and provide us with a copy of your amended Order.

Respectfully yours,

THE PRENTICE-HALL CORPORATION SYSTEM, INC.

John F. Byrne, Jr.  
Vice-President

JFB:es

cc: Hubert E. Kelly, Esq.  
Kelly And Corbin, Esqs.  
550 West Washington Street  
Phoenix, Arizona 85003  
Henry Fullop, Esq.  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF ARIZONA

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL AND GAS CONSERVATION  
COMMISSION OF THE STATE OF ARIZONA  
FOR THE PURPOSE OF CONSIDERING:

CASE NO. 48

ORDER NO. 47

THE MOTION OF THE OIL AND GAS  
CONSERVATION COMMISSION THAT EASTERN  
PETROLEUM COMPANY, UNITED STATES  
FIDELITY AND GUARANTY COMPANY, AND  
THE PRENTICE-HALL CORPORATION SYSTEM  
SHOW CAUSE WHY THEY SHOULD NOT BE  
ORDERED TO PLUG CERTAIN WELLS AS  
BELOW LISTED

ORDER OF THE COMMISSION

BY THE COMMISSION

This cause was considered at 10:00 a.m. on November 15, 1974  
at Phoenix, Arizona, by the OIL AND GAS CONSERVATION COMMISSION of  
the STATE OF ARIZONA, hereinafter referred to as the COMMISSION.

The COMMISSION, a quorum being present, having considered the  
facts presented and being fully advised in the premises, finds as  
follows:

FINDINGS:

(1) THAT the COMMISSION has jurisdiction of the subject  
matter thereof.

(2) THAT the COMMISSION did order EASTERN PETROLEUM COMPANY,  
as operator of the below-listed wells and as principal under Bond  
Number 27716-13-3983-65, to plug the below-listed wells:

Case No. 48  
Order No. 47  
Page 2

<u>PERMIT NUMBER</u>	<u>WELL NAME</u>	<u>LOCATION</u>
234	Ancon Santa Fe Fee #21	SE/NW Sec 31-20N-28E
536	Santa Fe Fee #24	1650 FNL-2640 FWL SE/NW Sec 24-20N-27E
537	Santa Fe Fee #21-1A	NW/NW Sec 31-20N-28E
560	Kiva Santa Fe Fee #1	NE/SW Sec 13-20N-28E
565	Santa Fe #6X-1	SE/NW Sec 25-20N-28E
568	Santa Fe Fee Sanders #2	NE/SW Sec 15-21N-28E
578	Szar State #1	NE/NW Sec 36-20N-27E
584	Santa Fe Fee Dreck #1	SE/SW Sec 25-20N-27E
592	Indian Allotted Merde #1	SW/SW Sec 30-20N-28E
596	Indian Allotted Mdrde #2	SW/SE Sec 30-20N-28E
599	Kiva Santa Fe Fee #2	NE/SW Sec 24-20N-28E
600	Santa Fe Fee Beacon #1	NW/SE Sec 29-20N-29E
601	Santa Fe Fee #1-11	NW/SE Sec 11-20N-28E

(3) THAT EASTERN PETROLEUM COMPANY has failed to comply with the orders of the COMMISSION.

(4) THAT UNITED STATES FIDELITY AND GUARANTY COMPANY is surety under United States Fidelity and Guaranty Bond No. 27716-13-3983-65 and, as such, guarantees compliance of EASTERN PETROLEUM COMPANY with the COMMISSION'S orders, rules and regulations.

(5) THAT, in order to prevent waste and to protect underground water stratas which have been penetrated by the above-identified wells, EASTERN PETROLEUM COMPANY should plug said wells in accordance with the Application to Plug as filed by EASTERN

PETROLEUM COMPANY with this COMMISSION as to each of the above-identified wells.

IT IS THEREFORE ORDERED:

(1) THAT EASTERN PETROLEUM COMPANY plug the following wells:

<u>PERMIT NUMBER</u>	<u>WELL NAME</u>	<u>LOCATION</u>
234	Ancon Santa Fe Fee #21	SE/NW Sec 31-20N-28E
536	Santa Fe Fee #24	1650 FNL-2640 FWL SE/NW Sec 24-20N-27E
537	Santa Fe Fee #21-1A	NW/NW Sec 31-20N-28E
560	Kiva Santa Fe Fee #1	NE/SW Sec 13-20N-28E
565	Santa Fe #6X-1	SE/NW Sec 25-20N-28E
568	Santa Fe Fee Sanders #2	NE/SW Sec 15-21N-28E
578	Szar State #1	NE/NW Sec 36-20N-27E
584	Santa Fe Fee Dreck #1	SE/SW Sec 25-20N-27E
592	Indian Allotted Merde #1	SW/SW Sec 30-20N-28E
596	Indian Allotted Merde #2	SW/SE Sec 30-20N-28E
599	Kiva Santa Fe Fee #2	NE/SW Sec 24-20N-28E
600	Santa Fe Fee Beacon #1	NW/SE Sec 29-20N-29E
601	Santa Fe Fee #1-11	NW/SE Sec 11-20N-28E

(2) THAT EASTERN PETROLEUM COMPANY commence the plugging operations on or before the 25th day of December, 1974 and complete said plugging operations as soon thereafter as is possible in accordance with reasonable and acceptable standards of the oil and gas industry.

(3) THAT any Certificate of Clearance or Certificate of Compliance which may have been issued to Eastern Petroleum Company

Case No. 45  
Order No. 47  
Page 4

comply with this order, THE UNITED STATES FIDELITY AND GUARANTY COMPANY is to bring the above-identified wells into compliance with this order and with the rules and regulations of this COMMISSION

DONE at Phoenix, Arizona, on the 15th day of November, 1974.

OIL AND GAS CONSERVATION COMMISSION  
STATE OF ARIZONA

By (Original signed)  
Ralph W. Bilby, Chairman

( S E A L )

ATTEST:

(Original signed)  
John Rannister  
Executive Secretary

APPROVED AS TO FORM  
Craig M. Muel  
Assistant Attorney General  
Date Nov. 19, 1974

I would suggest that maybe within the order part a reference be made to the possibility of revoking a certificate of compliance; the order, however, is fine on its face without the above suggestion.



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
4515 NORTH 7TH AVE.  
PHOENIX, ARIZONA 85013  
PHONE: (602) 271-5161

NOTICE OF HEARING  
CASE NO. 48

Notice is hereby given to all interested parties, and specifically but not limited to EASTERN PETROLEUM COMPANY, Post Office Box 291, Carmi, Illinois 62821, as operator of the below listed wells and as principal under United States Fidelity and Guaranty Company Bond Number 27716-13-3983-65, to UNITED STATES FIDELITY AND GUARANTY COMPANY of 456 North Meridian Street, Indianapolis, Indiana 46209, as surety under the above specified bond, and to THE PRENTICE-HALL CORPORATION SYSTEM, 550 West Washington, Phoenix, Arizona 85003, as statutory agent for the above identified Eastern Petroleum Company, that the OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF ARIZONA, pursuant to the authority granted in ARS 27-516.B, will hold a hearing on its own motion, at its offices at 4515 North 7th Avenue, Phoenix, Arizona 85013, at 10:00 a.m. on November 15, 1974 to ~~show cause~~ <sup>show cause</sup> why EASTERN PETROLEUM COMPANY as operator of the below listed wells, and as principal under USF&G bond, above identified, and UNITED STATES FIDELITY AND GUARANTY COMPANY as surety under USF&G bond, above identified, should not be ordered to plug the below identified wells for violations of the Commission's rules and regulations, and the applicable statutes of the State of Arizona, to wit, but not limited,

to ARS 27-503.A, ARS 27-516.A.1.a.,b.,c.,d.,4 and 6, and to the Commission's rules and regulations (1971) to wit, but not limited to 3,107.A.,B.; and 202.B:

<u>PERMIT NUMBER</u>	<u>WELL NAME</u>	<u>LOCATION</u>
234	Ancon Santa Fe Fee #21	SE/NW Sec 31-20N-28E
536	Santa Fe Fee #24	1650 FNL-2640 FWL SE/NW Sec 24-20N-27E
537	Santa Fe Fee #21-1A	NW/NW Sec 31-20N-28E
560	Kiva Santa Fe Fee #1	NE/SW Sec 13-20N-28E
565	Santa Fe #6X-1	SE/NW Sec 25-20N-28E
568	Santa Fe Fee Sanders #2	NE/SW Sec 15-21N-28E
578	Szar State #1	NE/NW Sec 36-20N-27E
584	Santa Fe Fee Dreck #1	SE/SW Sec 25-20N-27E
592	Indian Allotted Merde #1	SW/SW Sec 30-20N-28E
596	Indian Allotted Merde #2	SW/SE Sec 30-20N-28E
599	Kiva Santa Fe Fee #2	NE/SW Sec 24-20N-28E
600	Santa Fe Fee Beacon #1	NW/SE Sec 29-20N-29E
601	Santa Fe Fee #1-11	NW/SE Sec 11-20N-28E

OIL AND GAS CONSERVATION COMMISSION  
STATE OF ARIZONA

ATTEST

By (Original Signed)

Ralph W. Bilby, Chairman

(Original Signed)

John Bannister  
Executive Secretary

Done this 1st day of November, 1974

November 22, 1974

Mr. Dan LaBell  
300 South Walnut  
Carmi, Illinois 62821

Re: Eastern Petroleum Company Wells - Navajo Springs Area

Dear Mr. LaBell:

Attached are copies of Form 9, Application to Abandon and Plug, for Eastern's 13 wells in the Navajo Springs area. You will note that these applications were submitted by Eastern and approved by this office. Also attached are completion reports on 12 of the 13 subject wells. A completion report was never filed on one well.

We are also attaching tabulations on 24 of Eastern's 26 unplugged wells in this area. The remaining two wells, Eastern Santa Fe No. 13 located in Section 31-T20N-R27E and Barfoot No. 1 in Section 32-T20N-R27E are currently producing into Kerr-McGee's helium extraction plant. All figures and estimates on the tabulation were either submitted by Eastern or derived from information submitted by Eastern to this office.

Please notify this office prior to commencing any plugging operations. A representative from this office will witness the plugging of all wells.

Please advise if we can be of any further assistance.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/r1b

Encs.

November 18, 1974

Office of the Attorney General  
State Capitol  
Phoenix, Arizona 85007

Attention: Mr. Craig Mousel

Re: Case No. 48

Gentlemen:

Attached please find the order the Oil and Gas Conservation Commission intends to issue on the captioned case. You are requested to approve this order as to form and content. I would appreciate your earliest comments, inasmuch as we have established a deadline of December 25th and want ample time to notify the people responsible.

Should you have any questions, please advise.

Yours truly,

John Bannister  
Executive Secretary

JB/vb

Enc.

November 1, 1974

REGISTERED, RETURN  
RECEIPT REQUESTED

Eastern Petroleum Company  
P.O. Box 291  
Carmi, Illinois 62821

U.S. Fidelity & Guaranty Company  
456 N. Meridian St.  
Indianapolis, Indiana 46209

The Prentice-Hall Corporation System  
550 W. Washington  
Phoenix, Arizona 85003

Gentlemen:

Attached please find a copy of Notice of Hearing wherein each of you is involved. Eastern Petroleum Company has been ordered to plug the wells listed in the Notice of Hearing and have failed to comply with the Oil and Gas Commission's orders.

Should Eastern Petroleum Company be ordered after the hearing to plug these wells and fail to do so, it will be necessary for the United States Fidelity and Guaranty Company to make good on their bond and see that the requested plugging is accomplished.

The hearings before this Commission are informal by nature and it is not necessary that appearance before this Commission be made by an attorney. Of course, you are free to use an attorney should you so desire.

Should you have any questions, please advise.

Sincerely,

John Bannister  
Executive Secretary

JB/vb

Enc.

October 29, 1974

The Attorney General  
State Capitol  
Phoenix, Arizona 85007

Attention: Mr. John McGowan  
Special Assistant Attorney General

Dear Sir:

You are well aware that it has been necessary for this Commission to repeatedly request Eastern Petroleum Company to comply with our rules and regulations. Several times this Commission has found it necessary to request aid from your office to force Eastern to comply with certain of our rules.

Eastern has some 26 known unplugged wells in the Navajo Springs helium area that have been drilled over the past several years. Some of these wells have never produced and tests indicate them to be incapable of production. Other wells have produced but are presently shut-in for various reasons. Eastern has only two wells producing in this area at the present time.

On February 1, 1974 we advised Eastern and their bonding company, United States Fidelity and Guaranty, 456 North Meridian Street, Indianapolis, Indiana, that unless positive steps were taken to activate these wells, the Commission would of necessity order the wells plugged. A brief reply to the above letter was received by this office on February 19, 1974. It stated that the nonproducers would probably be plugged. After receiving this reply, Eastern was notified to submit Form 9, application to abandon and plug, certain of these wells for our approval. Following this interchange of correspondence, no further communication was received from Eastern. On April 12, 1974 Eastern, the bonding company and certain other interested partners were notified by registered mail of the necessity to plug a number of these wells. We received no response to this letter. On June 21, 1974, Eastern and the bonding company were notified by registered mail that a plugging program must be started by August 31, 1974. The original of this letter addressed to Mr. Henry Fullop, president of Eastern, was returned "unclaimed". Following the return of this letter, a copy was submitted to Eastern's Arizona statutory agent, the Prentice Hall Corporation, 550 West Washington, Phoenix, Arizona. On August 15, 1974, Mr. Fullop submitted a list of 13 wells that he proposed to plug. Our reply to this letter dated

Mr. John McGowan  
October 29, 1974  
Page 2

August 22, 1974, requested that application to abandon and plug the suggested wells be submitted immediately and plugging operations commence by September 30, 1974. We received these forms on September 3, 1974. After studying the suggested plugging program, the applications were approved and copies returned to Eastern on September 9, 1974. Following the return of these approved applications to abandon and plug, Mr. Fullop brought to this office a contractor he had supposedly engaged to perform the plugging operations. On September 19, 1974, Mr. Jess Edwards and an Eastern representative called and told me that the contractor that had been engaged was hesitant to do the work for fear of legal conflicts with Eastern's partners. Mr. Edwards was informed during this conversation that insofar as the Commission was concerned, Eastern and Eastern alone was responsible and the wells must be plugged by either Eastern or the bonding company. Since this conversation, we have had no further contact concerning this subject with Eastern. Eastern has, however, submitted copies of three letters that they have written to their alleged partners informing these people of the Commission's stand on this matter.

The above is a brief summary of our attempts to have Eastern Petroleum plug certain wells drilled for helium that are incapable of production in their present condition. The letter from Mr. Bannister that I left with you this morning states the desire of this Commission regarding the action that the Commission wishes to be taken.

We would appreciate a written reply informing us of the action you plan to take concerning this matter. If you need any further information, please call me at 271-5161.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb

October 18, 1974

The Attorney General  
State Capitol  
Phoenix, Arizona 85007

Attention: Mr. John McGowan, II  
Special Assistant Attorney General

Re: Eastern Petroleum Company, Navajo Springs Area

Dear Sir:

Attached please find a schedule setting forth a list of wells by permit number, location, etc. All of these wells were drilled by Eastern Petroleum Company under U.S. Fidelity and Guaranty Company Bond No. 27716-13-3953-65. Also attached is the original bond, as captioned.

Eastern Petroleum Company has failed to comply with the Commission's request to plug thirteen wells, said wells being indicated by an asterisk on the schedule. At the regular Commission meeting of October 18, 1974, the Commission instructed me to request the Attorney General to institute a show-cause proceeding against Eastern Petroleum Company and their bonding company to accomplish plugging of these wells.

There are, in all likelihood, unknown principals, and the proceedings should be to such end to force disclosure of said principals and force their compliance with our regulations.

Should you need anything further, please advise.

Respectfully,

John Bannister  
Executive Secretary

JB/vb

Enc.



OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

October 11, 1974

MEMO: John Bannister, Executive Secretary  
FROM: W. E. Allen, Director, Enforcement Section  
SUBJECT: Eastern Petroleum Company Operations - Navajo Springs Area

Mr. Fullop has informed me that prior to plugging certain wells in the Navajo Springs area, he needs approval from his partners. We have information that indicates his partners to be John F. Staver, Daniel L. Schwetz, Western Helium Corporation, Dr. C. F. Swain--operating as Crest Oil Company and, of course, Kerr-McGee is involved in the Navajo Springs Unit (Coconino). Eastern has two wells in the Navajo Springs Unit producing into Kerr-McGee's helium extraction plant. These two wells are Eastern Santa Fe No. 13 and Kerr-McGee Barfoot #1.

Of the 13 wells for which Eastern has submitted Applications to Plug and Abandon, none of these are in the Navajo Springs Unit and only three of these wells have ever produced. These wells produced into Western Helium's plant. This plant shutdown December 31, 1973 and no gas has been taken from any wells in this area since that date. The above mentioned partners with the exception of Kerr-McGee and Swain apparently have no interest in the Navajo Springs Unit.

The land owners or lessees of acreage on which these wells are located are Wayne Wallace, Spurlocks, Reece, Santa Fe Railroad and the State of Arizona. I have no knowledge of any other lessees or land owners.

Prentice Hall Corporation System is the statutory agent.

United States Fidelity and Guaranty Company is the surety.

Western Helium Corporation has been advised of the necessity to plug their Connelly #1 KM State, Permit #553, NE/NE Section 36-T20N-R27E, Apache County. This well is covered under Western Helium's bond of \$25,000. Travelers Indemnity Company is surety.

MR Allen

Rec'd 9/26/74



**KERR-McGEE CORPORATION**

KERR-McGEE CENTER • OKLAHOMA CITY, OKLAHOMA 73125

September 23, 1974

Mr. Henry Fullop  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

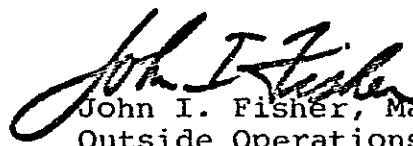
ABANDONMENT OF SHUT-IN WELLS  
NAVAJO SPRINGS UNIT  
APACHE COUNTY, ARIZONA

This is in response to your letter dated September 10, 1974, which advised that the Arizona Oil and Gas Conservation Commission had requested abandonment of all shut-in wells within the subject unit. Kerr-McGee is of the opinion that these wells should not be abandoned at this time as they may be needed in the future as producing wells or for reservoir performance monitoring.

Mr. Bill Allen, with Arizona Oil and Gas Conservation Commission, indicated by telephone on September 23, 1974, that the Commission has given additional consideration to its request that the shut-in unit wells be abandoned, and will not require abandonment of these wells at this time. It is therefore recommended that abandonment of the shut-in unit wells be deferred indefinitely.

Very truly yours,

KERR-McGEE CORPORATION

  
John I. Fisher, Manager  
Outside Operations  
Oil & Gas Production Division

JIF/IDG/kb

cc: Crest Oil Company  
P. O. Box 57  
Alton, Illinois 62002

Mr. J. F. Schlafly  
First National Bank Bldg.  
Alton, Illinois 62002

Estate of G. R. Barfoot  
Ehmann, Olsen & Lane  
2500 First Federal Savings Bldg.  
3003 N. Central Avenue  
Phoenix, Arizona 85013

21

September 19, 1974

Memo from W. E. Allen, Director  
Enforcement Section

Memo to file  
Eastern wells in Navajo Springs area

Jess Edwards called this date to say that he had run into some difficulty with the contractors that were to plug these wells. He said that Wayne Carr was hesitant to start plugging the subject wells without receiving an OK from all of Eastern's partners. Edwards said he was also contacting the partners to advise them that this Commission had ordered the wells plugged. He wanted to know if we could jointly order Eastern and partners to plug the wells. I was not sure about this and so informed him. I also told him that insofar as the Commission was concerned, Eastern was the owner of these wells and this Commission would hold Eastern and the bonding company responsible for the plugging, not the partners. I also told him that in my opinion if the Commission should continue to insist that the wells be plugged, their only recourse was to call a hearing and attempt to convince the majority of the Commission that this action was not necessary. If unable to do this, they could appeal the Commission's order to the Supreme Court. Eastern said they would attempt to get an agreement from the partners. He also promised to keep me informed.



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE (818) 382-4104 • P. O. BOX 291 • CARMEL, ILLINOIS 62821

September 20, 1974

Mr. John F. Staver  
P. O. Box 950  
Virginia, Minnesota 55792

Dear Mr. Staver:

Mr. W. E. Allen, Director, Enforcement Section, Oil and Gas Conservation Commission, has notified us that he has been instructed by motion of the full Commission to order the plugging of all inactive wells, producible and non-producible, in the Navajo Springs-Sanders area, with actual plugging operations to begin by September 30, 1974. This order also applies to shut-in wells in the Navajo Springs Unit. We have no alternative other than to comply.

However, since you are an owner in the below listed wells we would like your permission to proceed. On the other hand, if you prefer, we will transfer to you any remaining interest that we may own. This would mean, of course, you would have to place these wells under your own bond, and become liable for their eventual plugging, unless you make an attempt to produce them. Western Helium's withdrawal would appear to preclude any probability of a market, however.

Santa Fe #21-A	-	Section 31-20N-28E 537
Santa Fe #21	-	Section 31-20N-28E 234
Szar-State #1	-	Section 36-20N-27E 578
Merde Indian #1	-	Section 30-20N-28E 592
Merde Indian #2	-	Section 30-20N-28E 590
Santa Fe #24	-	Section 24-20N-27E (Western Hel.) 536

Please give this your immediate attention and advise accordingly.

Yours very truly,

EASTERN PETROLEUM COMPANY

*Henry Fullop*  
Henry Fullop

RECEIVED

SEP 22 1974

O & G CONS. COMM.

HF:sjn

CERTIFIED MAIL NO. 62410  
RETURN RECEIPT REQUESTED

234

August 22, 1974

CERTIFIED MAIL

Mr. Henry Fullop  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

Re: Apache County Wells

Dear Mr. Fullop:

We have your letter of August 15, 1974 together with a list of wells you propose to plug immediately. It is my opinion that if the list of wells, as submitted by you, are plugged very quickly that this operation will probably satisfy the Commission for the near future. Especially if there are plans to produce the remaining wells in the Navajo Springs area. The above statement cannot be taken as absolute, for I have been instructed by motion of the full Commission to order the plugging of all inactive wells in the Navajo Springs--Sanders area.

I talked with Mr. Noah Reynolds this morning. Mr. Reynolds informs me that final arrangements have not been made for him to undertake the plugging and abandonment of the 13 listed wells. As you know, prior to plugging a well the operator must submit Form 9, Application to Abandon and Plug, for the Commission's approval. Enclosed is a supply of these forms.

We will expect to receive a completed Form 9 for our approval on each of the 13 wells by September 4, 1974; and furthermore, the actual plugging operations must begin by September 30, 1974. If the above instructions are not complied with on a timely basis, this Commission will order the bonding company to plug all wells not now producing and operated by Eastern Petroleum Company in Apache County.

Mr. Henry Fullop  
August 22, 1974  
Page 2

This Commission must be notified prior to any plugging operations so we may have a representative present to witness the plugging. Your cooperation in this matter is urgently requested.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

Encs.

cc: Mr. Noah Reynolds  
Mr. Jess Edwards, certified mail  
Prentice-Hall Corporation System, certified mail  
Mr. Harold E. Uhrig, U.S.F.&G., certified mail

*Form 9 mailed under separate cover*



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE 618 380 4114 (C. 201) 281 (C. 201) ILLINOIS 65871

August 15, 1974

Mr. W. E. Allen  
Oil & Gas Conservation Comm.  
4515 North 7th Avenue  
Phoenix, Arizona 85013

Re: Apache County Wells

330 - 2867

Dear Mr. Allen:

We have made arrangements with Mr. Noah <sup>Reynolds</sup> ~~Richards~~, Aztec, New Mexico, to salvage and plug the wells listed on the attached schedule.

<sup>Reynolds</sup> Mr. ~~Richards~~ has to fit this into his busy work schedule and it is possible that he may be unable to start until after the 31st. I understand that he will contact you in this regard.

The shut-in wells in the Navajo Springs Unit are not scheduled. I am sure the various owners of the Unit would not want to take such action now. It is entirely possible these wells may be required to sustain the normal take in the future. As you know the Spurlock case has cast, temporarily at least, a shadow over future operations, with the trial scheduled for 1975.

Yours very truly,

EASTERN PETROLEUM COMPANY

*Henry Fullop*  
Henry Fullop

HF:sjn

Enc.

<sup>Reynolds</sup>  
cc: Mr. Noah Richards

Mr. Harold E. Uhrig  
Foster & Messick, Mgrs.  
456 N. Meridian Street  
Indianapolis, Indiana 46209

RECEIVED

AUG 19 1974

O & G CONS. COMM.

234

APACHE COUNTY WELLS SCHEDULED FOR PLUGGING		
PERMIT #	WELL NO & LOCATION	PIPE IN HOLE
110	1- SF*24 - 1650 FNL, 2640 FNL, 24-20N-27E	1303 - 2 7/8" 315 - 7"
536	2- SF 21-1A - 660 FNL, 660 FNL, 31-20N-28E	1218 - 4 1/2" 244 - 7"
234	3- SF*21 - 1650 FNL, 1650 FNL - 31-20N-28E	1230 - 2 7/8" 228 - 7"
565	4- KIVA 6X-1 - 2378 FNL, 2364 FNL, 25-20N-28E	1262 - 4 1/2" 309 - 7"
560	5- KIVA-SF*1 - 1980 FNL, 1966 FSL, 13-20N-28E	- 551' 7" - SFC NO PIPE
549	6- KIVA-SF*2 - 1658 FNL, 1651 FSL - 24-20N-28E	- 1212 - 4 1/2" 616 - 7"
568	7- SANDERS-SF*1 - 1658 FSL, 2310 FNL, 15-21N-28E	- 516' - 4 1/2" NO SFC CSG.
600	8- BEACON-SF*1 - 1980 FEL, 1980 FSL - 29-20N-28E	- 1265 - 4 1/2" 640 - 7"
578	9- SZAR-STATE*1 - 660 FNL, 1980 FNL, 36-20N-27E	1215 - 4 1/2" 300 - 7"
542	10- MERAS INDIAN*1 - 660 FSL, 660 FNL - 30-20N-28E	1200 - 4 1/2" 282 - 7"
596	11- MERAS INDIAN*2 - 660 FSL, 1980 FEL, 30-20N-28E	1197 - 2 7/8" 268 - 7"
601	12- SF*1-11, 1650 FSL, 1650 FEL, 11-20N-28E	1055 - 4 1/2" 622 - 7"
	13- DRECK-SF*1 - 1980 FNL, 660 FSL - 25-20N-27E - THIS WELL IS PARTIALLY PLUGGED, BUT THERE IS NO PLUG IN TOP OF 7" SFC (285' N/75)	



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
4515 NORTH 7TH AVE.  
PHOENIX, ARIZONA 85013  
PHONE: (602) 271-5161

July 18, 1974

CERTIFIED MAIL

The Prentice-Hall Corp. System  
550 West Washington  
Phoenix, Arizona 85003

Re: The Prentice-Hall Corporation System, Statutory Agent for  
Eastern Petroleum Company, P. O. Box 291, Carmi, Illinois

Gentlemen:

This Commission has requested several times to be advised of your plans for further operations on your unplugged wells in the Navajo Springs area.

Mr. Edwards submitted some Sundry Notices and Reports on Wells, Form 25, indicating that you planned to plug some of the wells. Some others were to be transferred to Dan Schwetz. Still others, some of which have never produced commercially, apparently were to maintain their present status.

You are aware that several wells in this area have never indicated any ability to produce and others that are carried as shut-in helium wells have never produced commercially and no attempt to produce some of these wells was ever made.

At a meeting of the Commission on this date we were instructed to direct you to properly plug, by August 31, 1974, all wells in this area not now producing. Prior to plugging any well, the plugging program must be approved by the Commission and all operations relating to the plugging and abandonment will be witnessed by a member of the Commission staff.

Within this time frame, this Commission will consider any feasible plan that you might have to place whatever wells that are capable of producing back on production.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb

cc - Mr. Henry Fullop

234



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
4515 NORTH 7TH AVE.  
PHOENIX, ARIZONA 85013  
PHONE: (602) 271-5161

June 21, 1974

CERTIFIED MAIL

Mr. Henry Fullop  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

Re: Navajo Springs Area

Dear Mr. Fullop:

This Commission has requested several times to be advised of your plans for further operations on your unplugged wells in the Navajo Springs area.

Mr. Edwards submitted some Sundry Notices and Reports on Wells, Form 25, indicating that you planned to plug some of the wells. Some others were to be transferred to Dan Schwetz. Still others, some of which have never produced commercially, apparently were to maintain their present status.

You are aware that several wells in this area have never indicated any ability to produce and others that are carried as shut-in helium wells have never produced commercially and no attempt to produce some of these wells was ever made.

At a meeting of the Commission on this date we were instructed to direct you to properly plug, by August 31, 1974, all wells in this area not now producing. Prior to plugging any well, the plugging program must be approved by the Commission and all operations relating to the plugging and abandonment will be witnessed by a member of the Commission staff.

Within this time frame, this Commission will consider any feasible plan that you might have to place whatever wells that are capable of producing back on production.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb

cc - J. N. Edwards and U.S.F. & G.



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
4515 NORTH 7TH AVE.  
PHOENIX, ARIZONA 85013  
PHONE: (602) 271-5161

April 12, 1974

CERTIFIED MAIL

Mr. Henry Fullop  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

Re: Navajo Springs Area

Dear Mr. Fullop:

We have received Mr. Edward's letter dated March 12, 1974 together with Form 25, Sundry Notice and Reports, on 16 wells in the Navajo Springs area. We are aware that a number of your wells are in the Navajo Springs Coconino Unit. According to our records, several of the wells that are in the Unit have never produced except during testing and are being carried as shut-in helium wells. A number of wells outside the Unit have never produced, and your completion reports indicate the production on the potential test to be zero or TSM. Other wells have been taken off production for various reasons.

The possibility of some of these wells ever being produced commercially again appears negligible. As you know, Western Helium has not taken gas from your wells since December 31, 1973. This company is now in the process of dismantling and moving their plant out of the area. There is a possibility that Kerr-McGee might arrange to take gas from some of the wells in the Navajo Springs Unit as they are now doing from your Santa Fe No. 13 and Barfoot.

It is the opinion of this Commission that all non-commercial wells in the Navajo Springs area, whether in the Unit or not, should be permanently plugged and abandoned as quickly as possible. These wells would include, within the Navajo Springs Coconino Unit, the Crest Santa Fe No. 2, Santa Fe Nos. 31 and 32, and the Reese No. 2. No production has been reported from any of these wells. Also to be plugged should be your Ancon Santa Fe Nos. 21 and 21-1A, Connelly KM State No. 1, Merde No. 1 and all the non-producers that have been drilled within the past three years. Your Merde No. 2 must be plugged immediately. The hole in the casing at approximately 750' has never been repaired and the well is flowing water. Also your Dreck No. 1 has been reported plugged and abandoned, a copy of your plugging report is attached. It is possible that this well has been partially plugged, however there is definitely no plug in the top of the casing and fluid is several hundred feet from the surface. The dry hole marker was never installed. It is on

Mr. Henry Fullop  
April 12, 1974  
Page 2

location but the casing had a bucket inverted over the open end. The hole you drilled on the original location for the Chambers No. 1 for a "water well" is open with wire line and other junk around the open hole. Mr. Tom Pelton, the owner or holder of the surface rights of the land on which the two Chamber holes are located has expressed the desire to assume responsibility of both the holes for water wells. Mr. Pelton's address is P. O. Box 7, Sanders, Arizona 86512, phone: (602) 688-2930. Our Form No. 24, when executed by Mr. Pelton, will satisfy our requirements. Also Wayne Wallace has some interest in some of the holes on his place for use as water wells.

Recently we found a well some 700' + in a northerly direction of the Merde No. 2, a copy of a photograph is attached. We have no records of a well being drilled at this location. Any information that you could give us on this well would be appreciated. It is being used as a water well.

Either Mr. Bannister or myself will be happy to discuss the above mentioned situation with you. However, we are determined to have the existing conditions in the area brought into complete compliance with the rules and regulations of the Oil and Gas Conservation Commission in the very near future.

We would appreciate your thoughts on the above.

Very truly yours,



W. E. Allen, Director  
Enforcement Section

WEA/rlb

Encs.

cc John Fisher, Kerr-McGee, Oklahoma  
Richard J. Gasdaska, Western Helium, Pennsylvania  
C. F. Swain, Crest Oil, Illinois  
Jess Edwards, Eastern, Illinois  
U.S.F. &G., Indiana



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE 35-2404 • P. O. BOX 281 • CARMI, ILLINOIS

March 12, 1974

Mr. W. E. Allen  
Oil & Gas Conservation Comm.  
4515 North 7th Avenue  
Phoenix, Arizona 85013

Re: Bond No. 27716-13-3983-65  
Arizona

Dear Mr. Allen:

Pursuant to your recent letters to us and to U.S.F.&G. Company, I have enclosed Sundry Notices and Reports and other data concerning the wells in question.

You will note a number of these are in the producing Navajo Springs Unit; others are to be plugged and some will probably be transferred and assigned to another party for possible rework.

Trusting these reports adequately fulfill your requirements, I remain

Yours very truly,

EASTERN PETROLEUM COMPANY

*J. N. Edwards*  
J. N. Edwards

JNE:sjn

Encs.

cc: Mr. Harold E. Uhrig  
Foster & Messick, Mgrs.  
456 N. Meridian Street  
Indianapolis, Indiana 46209

McCallister, Becker & Hall  
Carmi, Illinois 62821

RECEIVED

O & G CON. COMM.



UNITED STATES FIDELITY AND GUARANTY COMPANY  
INDIANAPOLIS OFFICE  
456 N. MERIDIAN ST., INDIANAPOLIS, IND. 46209

FOSTER & MESSICK  
MANAGERS

March 1, 1974

TELEPHONE:  
317/MELROSE 5-9431

Mr. W. E. Allen  
Director, Enforcement Section  
Oil and Gas Conservation Commission  
State of Arizona  
4515 North 7th Avenue  
Phoenix, Arizona 85013

RE: Bond No. 27716-13-3983-65 - Eastern Petroleum Company -  
State of Arizona

Dear Mr. Allen:

We are forwarding a copy of your letter of February 19, 1974 to this office to Mr. J. N. Edwards of the Eastern Petroleum Company, and we are requesting that he forward a copy of his response to your letter of February 1, 1974 which he indicated he would do in his letter of February 14, 1974.

We are sure that Mr. Edwards will do whatever he deems necessary insofar as the oil well violations are concerned.

Very truly yours,

FOSTER & MESSICK, MGRS.

*[Signature]*  
Harold E. Uhrig  
Claim Supervisor

HEU:jg

cc: Mr. J. N. Edwards  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

cc: McCallister, Becker & Hall  
Carmi, Illinois

RECEIVED

RECEIVED COMM.

U. S. F. & G.

February 19, 1974

Bond Department  
U.S.F.&G.  
456 N. Meridian Street  
Indianapolis, Indiana 46204

Re: Eastern Petroleum Company - Blanket Off Well Bond 27716-13-3983-65

Gentlemen:

On February 1, 1974 we sent you a copy of our letter to Eastern Petroleum requesting information on their shut-in wells covered by the above bond. A copy of Eastern's reply is attached for your information, (we inadvertently sent this information to your Phoenix office). A copy of all letters addressed to the Phoenix office are enclosed.

Unless Eastern takes immediate action to bring their operations into complete compliance with the Rules and Regulations of the Oil and Gas Conservation Commission and the laws of the State of Arizona, this Commission will have no alternative other than to request the surety to fulfill their obligations to this Commission.

Any assistance that you might give to this Commission to encourage Eastern Petroleum to discharge their obligations will be appreciated.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/r1b

Encs.



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE 28-24104 • P O BOX 251 • CARMIL, ILLINOIS

February 14, 1974

Mr. W. E. Allen  
Oil & Gas Conservation Comm.  
4515 N. 7th Avenue  
Phoenix, Arizona 85013

Dear Mr. Allen:

Your letters of January 8 and February 1 addressed to Robert Fullop have been referred to me for answer.

I've just been through a month of tax work, am worn out and am leaving tomorrow for a short vacation, a week to ten days. After I return I will answer in detail as well as I can.

At least five of the wells are in the Navajo Springs and East Navajo Springs Units and they are shut-in. The balance will probably be plugged.

Yours very truly,

EASTERN PETROLEUM COMPANY

*J. N. Edwards*  
J. N. Edwards

JNE:sjn

RECEIVED

FEB 14 1974

O & G CON. COMM.

February 11, 1974

Ms. Susan M. Perry  
The Travelers  
Cherry Creek Center  
101 University Boulevard  
Denver, Colorado 80206


Re: Western Helium Corporation  
Bond No. 1674375 - \$25,000

Dear Ms. Perry:

Please be advised that the above referenced bond may not be cancelled until the operators are in full compliance with the rules and regulations of the Oil and Gas Conservation Commission of the State of Arizona.

There are presently two shut-in wells covered by this bond. Until such time as these wells have been plugged, the location cleaned, and all required reports submitted, this bond will remain in full force and effect.

Very truly yours,

  
W. E. Allen, Director  
Enforcement Section

WEA/r1b

cc - Western Helium  
Pennsylvania



## THE TRAVELERS

Surety Department  
E. A. Houser, III, Manager

February 5, 1974

State of Arizona  
Oil & Gas Conservation Commission  
Phoenix, Arizona 85001

RE: Western Helium Corporation  
Bond No. 1674375

Gentlemen:

Our company executed a \$25,000.00, Performance Bond-Statewide Oil & Gas  
(Amount) (Type)  
effective 3/1/71 for the above captioned.

In accordance with the terms of the bond, this letter will serve as our Notice of Cancellation and termination from all further liability effective 3/1/74. We would appreciate your sending us a letter verifying the date on which cancellation becomes effective. A self-addressed, postage free envelope is enclosed for your convenience in replying.

Thank you.

*Susan M. Perry*  
Very truly yours,

SURETY DIVISION  
sp

sp

February 1, 1974

Bond Department  
U.S.F. & G.  
3605 N. 7th Avenue  
Phoenix, Arizona 85013

Re: ~~Eastern Petroleum Company~~ Bond No. 27716-13-3983-65, \$25,000.

Gentlemen:

We are attaching for your information a copy of a letter to Eastern Petroleum Company. Since you are the surety for this bond, we take this measure to advise you that it may be necessary for this Commission to order all the wells properly plugged and abandoned.

If you need any further information, please advise.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/r1b

February 1, 1974

Mr. Robert Fullop  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

~~Re: All Wells Covered Under U.S.F. &G. Bond No. 27716-13-3983-65, \$25,000~~

Dear Mr. Fullop:

This office has just learned that as of January 1, 1974, Western Helium Corporation is no longer taking field gas from any of your wells in the Navajo Springs area. A recent check of wells that have been producing reveals all of the wells operated by you were shut-in except your Santa Fe Fee #13. The gas from this well is taken by Kerr-McGee.

Since all wells operated by you except the above mentioned Santa Fe Fee #13 are shut-in, it is necessary that you inform this Commission immediately of your plans for the future concerning all the non-plugged wells in this area. According to our records and information submitted to this Commission by your company, many of these non-plugged wells have never produced and several that have been completed in the past couple of years are presently not capable of producing. Unless you have plans to reactivate the wells in this area, this Commission will of necessity order all wells plugged and abandoned.

Again we urge you to advise this office of your plans for this area immediately.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/r1b

cc - U.S.F.&G.



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
4515 NORTH 7TH AVE.  
PHOENIX, ARIZONA 85013  
PHONE: (602) 271-5161

September 18, 1973

Mr. Robert Fullop  
Eastern Petroleum Company  
P. O. Box 226  
Farmington, New Mexico 87401


Dear Mr. Fullop:

Will you please supply this Commission with any information that you might have regarding the recoverable reserves in the Navajo Springs Field?

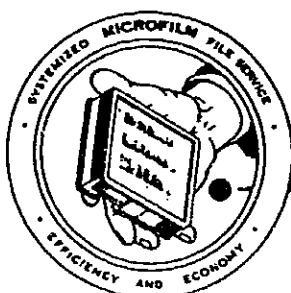
This information will be considered confidential if you so desire.

Thank you for your cooperation.

Very truly yours,

  
W. E. Allen, Director  
Enforcement Section

WEA/rlb



TELEPHONES:  
DENVER: 303 - 244-7674  
BILLINGS: 406 - 245-3411  
CALGARY: 403 - 264-0394

**PETRO-WELL LIBRARIES LTD.**  
Suite Three 928 Broadwater Avenue 59102  
Billings, Montana

December 27, 1972

Oil & Gas Conservation Commission  
State of Arizona  
4515 North 7th Avenue  
Phoenix, Arizona 85013

Attention: Mr. W. E. Allen, Director  
Enforcement Section

Dear Mr. Allen:

Thank you for your letter dated 12-13-72 informing us of the wrong log filmed with file number 234. We have deleted this log from our microfilm and at the same time called for file number 234 for a quality re-shoot on the enclosed list. If you do know what location that Gamma Ray log does belong to, please send us that file also for re-filming, making note of it.

Enclosed is the list of re-shoots required for quality. We would very much appreciate your sending us these files as soon as possible. Upon receipt, we can film them the same day and return the files to you. Once this is completed we can finish our editing and prepare the film for cartridges.

Thank you so much for your cooperation and help you gave Claudia and Linda while they were there. This type of assistance enables us to build a better microfilm file for you and for the industry.

Yours truly,

Kay Waller  
Branch Manager

RECEIVED

JAN 02 1973

O & G CONS. COMM.

March 6, 1973

Ms. Kay Waller  
Petro-Well Data Libraries  
928 Broadwater  
Suite #3  
Billings, Montana 59103

Dear Ms. Waller:

Some time back we sent you various logs on a well drilled by Eastern Petroleum Company in Section 31-T20N-R28E, Apache County, Permit 234. As of this date we have failed to receive these logs. Will you please return this information as quickly as possible.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/tlb

December 13, 1972

Ms. Kay Waller  
Petro-Well Data Libraries  
928 Broadwater  
Suite #3  
Billings, Montana 59103

Re: Eastern #21 Ancon Santa Fe  
SE/NW Sec 31-T20N-R28E  
Apache County  
Our File No. 234

Dear Ms. Waller:

Following the microfilming of this Commission's records, it has been determined that the Schlumberger Gamma Ray Log on the above referenced well actually is not a log of this well at all. Therefore, we are requesting that this log be deleted when the films are processed.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA/rlb



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE 36-24104 • P. O. BOX 291 • CARM, ILLINOIS

RECEIVED

OCT 22 1971

O & G CONS. COMM.

October 20, 1971

Mr. J. R. Scurlock  
Oil & Gas Conservation Comm.  
4515 North 7th Avenue  
Phoenix, Arizona 85013

Dear Jim:

Relative to our conversation on the 19th day of October, 1971, I have enclosed a Gamma Ray copy of the original hole drilled in Section 31-20N-28E on 8-8-63. You will note that this well never penetrated the Coconino sandstone inasmuch as the relationship to the Ancon #21 hole and this hole is approximately 100' higher, indicative of crossing a fault between the two holes.

Briefly I will relate the circumstances of this hole. On approximately July 23, 1963, I called Mr. Ludewick, then Acting Secretary of the Commission, and asked if I could possibly move onto this location prior to the paper work, which followed two days later. It was agreed at that time that Eastern could move on location and commence drilling. However, at 1220', approximately 20' from the Coconino, lost circulation was encountered and trouble began with our drill pipe being stuck in the hole and at the same time we were shut down on our operations by the State. However, Mr. Ludewick denied the phone call to him and consequently the permit was denied. I had to appear before the Commission at a later date and take the consequence for my action. All information on this well was furnished to the State at that time.

I then applied for a new permit and moved the location some 700' SE, which is the present location of the Ancon #21 well, and during the drilling of this new location we crossed the fault on the low side, however we were able to make a Shinarump producer. This original hole, referred to as the Santa Fe #21, 100' higher than the Ancon #21, will produce from the Coconino sandstone as well as the Shinarump. Knowing this information was the reason that we appeared before the Commission

RECEIVED

OCT 22 1971

O & G CONS. COMM.

Mr. J. R. Scurlock  
Page 2

October 20, 1971

and asked for a hole to be drilled in the NW/4 of Section 31 to the Shinarump and Coconino formations. Here again drainage cannot be considered as a deterrent.

I did not bring this old well up at the hearing in Tuscon because it would have made the State Commission look bad inasmuch as they evidently misplaced their file on this incident. However, I am sure the tape recording on that particular hearing is in the Commission files somewhere.

If I can be of any further assistance please do not hesitate to call on me.

Yours very truly,

EASTERN PETROLEUM COMPANY

*Henry Fullop*

Henry Fullop

HF:sjn

Enc.

June 11, 1971

Mr. J. N. Edwards  
Eastern Petroleum Corporation  
P. O. Box 1358  
Scottsdale, Arizona 85052

Re: Wells formerly producing into Western Helium's helium extrac-  
tion plant.

Dear Mr. Edwards:

As soon as practicable please furnish this office with copies of the production report for the above referenced wells. Since Western Helium has temporarily shut down this plant necessitating the closing in of your wells, please furnish us with Form 25, Summary Notices and Reports on Wells, indicating your wells shut in awaiting market. We need this information in order to document our files.

Thank you for your cooperation.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA:jd  
Enc.

cc: Mr. Henry Fullop, Carmi, Illinois

234  
471  
537  
238  
194  
206  
236  
263

234



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
4515 NORTH 7TH AVE.  
PHOENIX, ARIZONA 85013  
PHONE: (602) 271-5161

April 2, 1971

Mr. Raymond L. Kysar, Jr.  
Kysar Insurance Agency, Incorporated  
The Travelers Indemnity Company  
2604 East Main  
Farmington, New Mexico 87401

Re: Eastern #21 Ancon Santa Fe	Eastern #21-1A Santa Fe Fee
SE/4 NW/4 Sec. 31-T20N-R28E	NW/4 NW/4 Sec. 31-T20N-R28E
Apache County	Apache County
Our File #234	Our File #537

Dear Ray:

As of this date we have not received the serial number of the performance bond that has been issued to Western Helium Corporation. It is imperative that we receive the serial number as quickly as possible.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA:jd

1674375

RECEIVED

APR 08 1971

O & G CCNS. COMM.

234

April 2, 1971

Mr. Raymond L. Kysar, Jr.  
Kysar Insurance Agency, Incorporated  
The Travelers Indemnity Company  
2604 East Main  
Farmington, New Mexico 87401

Re: Eastern #21 Ancon Santa Fe	Eastern #21-1A Santa Fe Fee
SE/4 NW/4 Sec. 31-T20N-R28E	NW/4 NW/4 Sec. 31-T20N-R28E
Apache County	Apache County
Our File #234	Our File #537

Dear Ray:

As of this date we have not received the serial number of the performance bond that has been issued to Western Helium Corporation. It is imperative that we receive the serial number as quickly as possible.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA:jd



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE 38-24104 • P. O. BOX 291 • CARM, ILLINOIS

March 19, 1971

Mr. W. E. Allen  
Oil & Gas Conservation Comm.  
4515 North 7th Avenue  
Phoenix, Arizona 85013

Dear Mr. Allen:

With reference to your letter of March 16, 1971, concerning responsibility for the operation of wells #21-1A and #21, please be advised that Eastern is not delegating operations to Western Helium and that Eastern will continue to operate these wells.

Yours very truly,

EASTERN PETROLEUM COMPANY

*Henry Fullop*  
Henry Fullop

HF:sjn

RECEIVED

MAR 22 1971

O & G CONS. COMM.

234

March 16, 1971

Mr. Raymond L. Kysar, Jr.  
Kysar Insurance Agency, Incorporated  
The Travelers Indemnity Company  
2604 East Main  
Farmington, New Mexico 87401

Re: Eastern #21 Ancon Santa Fe  
SE/4 NW/4 Sec. 31-T20N-R28E  
Apache County  
Our File #234

Eastern #21-1A Santa Fe Fee  
NW/4 NW/4 Sec. 31-T20N-R28E  
Apache County  
Our File #537

Dear Ray:

We are in receipt of a performance bond in the amount of \$25,000 naming Western Helium Corporation as principal. Please advise us the serial number of this bond; and, we will add it to our file copy.

As of this date we consider the above wells covered by this bond.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA:jd

March 16, 1971

Mr. Henry Fullop  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

Re: Eastern #21-1A Santa Fe Fee  
NW/4 NW/4 Sec. 31-T20N-R28E  
Apache County  
Our File #537

Eastern #21 Ancon Santa Fe  
SE/4 NW/4 Sec. 31-T20N-R28E  
Apache County  
Our File #234

Dear Mr. Fullop:

It is our understanding that Western Helium is assuming responsibility for the operation of the above referenced wells.

We will need a Designation of Operator executed by an officer of your company before this office can look to Western Helium for future reports and so forth on the above wells.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA:jd  
Enc.

OFFICE OF  
**Oil and Gas Conservation Commission**

STATE OF ARIZONA

4515 NORTH 7th AVE.  
PHOENIX, AZ. 85013

Phoenix, Arizona 85007

PHONE: 271-5161

234  
537  
206

December 28, 1970

Mr. J. N. Edwards  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois

Re: Monthly Producers Report

Dear Mr. Edwards:

Thank you for your amended report on the October production and for your November production report on wells producing from the Navajo Springs and East Navajo Springs Unit.

In the future please file a separate report for wells producing from separate units. In other words please place wells producing from the Navajo Springs Gas Pool on one Form 16. Wells producing from East Navajo Springs Spacing Unit will also require a Form 16. Any wells producing outside of these units will require an additional Form 16.

Thank you for your cooperation.

Very truly yours,

W. E. Allen, Director  
Enforcement Section

WEA:jd

234

DEPARTMENT OF LAW  
OFFICE OF THE  
**Attorney General**  
STATE CAPITOL  
Phoenix, Arizona 85007

GARY K. NELSON  
THE ATTORNEY GENERAL  
FRANK SAGARINO  
CHIEF ASSISTANT ATTORNEY GENERAL

December 16, 1970

Mr. W. E. Allen, Director  
Enforcement Section  
Oil and Gas Conservation Commission  
4515 North Seventh Avenue  
Phoenix, Arizona 85013

Dear Mr. Allen:

If you do not hear in a reasonable time from Eastern  
Petroleum Company, Crest Oil Company and Western  
Helium Corporation, please notify this office, and  
we will write a follow-up letter.

Sincerely,

GARY K. NELSON  
The Attorney General

*John M. McGowan, II*  
JOHN M. MCGOWAN, II  
Special Assistant Attorney General

JMM:ell

RECEIVED  
DEC 17 1970  
O & G CONS. COMM.

July 5, 1963

A cc of a letter, CERTIFIED MAIL, RETURN RECEIPT REQUESTED, sent to Mr. Henry Fullop, President, Eastern Petroleum Company, from the Attorney General's office, under the signature of Mr. Edward I. Kennedy, dated July 3, 1963, was received today in the oil and gas conservation commission office.

Contents of letter, as follows:

Dear Mr. Fullop:

Please consider this communication notice of the intention of the Oil and Gas Conservation Commission of the State of Arizona to hear evidence and consider a future course of action to be followed in the matter of the illegal drilling of an oil well on Section 31, Township 20N, Range 28E, approximately eight miles south of Chambers, Arizona, by Eastern Petroleum Company.

This matter will be heard at the next regular meeting of the Commission on July 24, 1963, at 9:30 a.m. in the Commission's office, Phoenix, Arizona. You or a duly qualified representative of Eastern Petroleum Company are invited to attend this hearing and will be given an opportunity to offer evidence.

Very truly yours,

ROBERT W. PICKRELL  
The Attorney General

EDWARD I. KENNEDY  
Assistant Attorney General  
Counsel for Oil and Gas Conservation  
Commission of the State of Arizona

July 24, 1963

During the regular monthly meeting of the Oil and Gas Conservation Commission, an informal hearing was held on the alleged violation of Eastern Petroleum Company's drilling in Section 31, T 20 N, R 28 E, Apache County, Arizona, before application for permit to drill was received in the commission's office. Mr. Edward Kennedy, Attorney General's office, conducted the interrogation of the commission's geologist, John K. Petty, relative to the facts of this situation and Mr. Henry Fullop, President of Eastern Petroleum Company, revealed that the whole matter was an accidental error and not deliberate in any way.

When the Chairman, Mr. R. Keith Walden, concluded the hearing, he informed Mr. Fullop that a decision would be reached in an executive session of the commission and Mr. Fullop would be notified of said decision as soon as possible.

After considerable deliberation of the Eastern matter during the executive session, Mr. Walden directed Mr. Kennedy, as legal counsel for this commission, to compose a letter for Mr. Walden's signature in very formal language containing the thoughts expressed during this meeting, severely reprimanding Eastern Petroleum Co. for its violation and that a permit for this location will be issued but that more strigent rules will be adopted relative to such violations.

Motion to this effect made by Mr. Lewis, seconded by Mr. Heward - unanimously approved.

August 2, 1963

A thermo-fax copy of the attorney general's office letter, signed by Mr. Walden, Chairman, addressed to Mr. Henry Fullop, President of Eastern Petroleum Company, is attached.

PAUL FANNIN  
GOVERNOR  
R. KEITH WALDEN  
CHAIRMAN  
LYNN LOCKHART  
VICE CHAIRMAN  
CHARLES KALIL, M.D.  
MEMBER  
ROBERT B. HEWARD  
MEMBER  
ORME LEWIS  
MEMBER



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
ROOM 302  
1004 WEST ADAMS  
Phoenix 7, Arizona  
271-5151

M. A. LUDEWICK  
EXECUTIVE SECRETARY  
JOHN K. PETTY  
PETROLEUM GEOLOGIST

August 2, 1963

Mr. Henry Fullop, President  
Eastern Petroleum Company  
Post Office Box 291  
Carmi, Illinois

Dear Mr. Fullop:

As Chairman of the Oil and Gas Conservation Commission of the State of Arizona, I am writing to advise you of the findings of the Commission with respect to the illegal drilling of an oil well by Eastern Petroleum Company in Section 31, Township 20 North, Range 28 East, G. & S. R. B. & M., Apache County, Arizona.

The Commission, meeting in executive session to consider the evidence presented both by the State of Arizona and yourself on behalf of Eastern Petroleum Company, found the following:

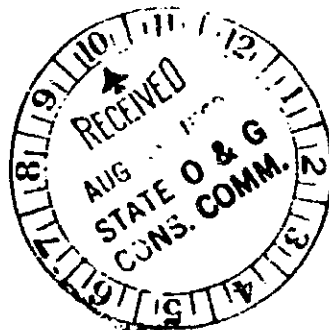
1. The existence of unrefuted evidence of a violation of Arizona Revised Statutes 27-513, Rule 101 and Rule 102 of the Rules and Regulations of the Oil and Gas Conservation Commission of the State of Arizona;
2. A modicum of good faith on the part of Eastern Petroleum Company in that the well was drilled on properly leased land.

As a result of its findings, the Commission has decided to forestall overt disciplinary action at this time, but has requested me to advise you that a repetition of this behavior will result, as a minimum, in the suspension of issuance of any further permits to Eastern for an extended period of time.

I feel it appropriate to advise you that the Commission is presently considering the adoption of rules and regulations which would preclude any recurrence of a violation of this type. Such rules would include an assessment of a penalty to defray the investigative costs to the State.

Very truly yours,

R. Keith Walden  
Chairman



HEW:as



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE 36-24104 • P. O. BOX 291 • CARMEL, ILLINOIS

RECEIVED

DEC 21 1970

O & G CONS. COMM.

December 15, 1970

473  
471  
234

Mr. W. E. Allen  
Oil & Gas Conservation Comm.  
4515 North 7th Avenue  
Phoenix, Arizona 85013

Dear Mr. Allen:

This is relative to your letter dated December 10, 1970, concerning violations.

Item 1

The 8X well was drilled by Crest Oil Company some years ago and attempted completion was made in the Coconino sandstone with negative results. I have taken the full responsibility of a re-entry into this well and also the responsibility of not filing Form 25 at the time a rig was moved over the hole inasmuch as I did not know what the conditions and the situations were down hole until I had a chance to evaluate the problem after re-entry. You have been in the oil fields long enough to know that when you re-enter a hole drilled by another party you can expect to find almost anything and you cannot depend on the old completion records. Consequently, filling out and filing Form 25 before we have a chance to evaluate the problem could only call for a falsified report which I have no intention of doing. However, on December 11, 1970, I filled out Form 25 on the 8X well which is somewhat of an educated guess and as soon as I can evaluate all of my problems and can correct same I will file an amended report on said well. I am enclosing Form 25 on the Crest-Arizona Helium Santa Fe #1 with the understanding that I do not know at this filing what will be necessary to attempt a completion of this well.

Item 2

Mr. Allen, as concerning this violation, Western Helium has taken over a helium plant which has never been tested for its capabilities. Needless to say it has many internal problems which have to be corrected.

Mr. W. E. Allen  
Page 2

December 15, 1970

These problems may or may not be solved, only time will tell. Our gas charts have been sent to an uninterested third party for calculations and upon receiving same we can then file all necessary forms to comply with State regulations. Until then we can only ask your indulgence.

Items 3 & 4

These forms will be filed as soon as the charts have been calculated and returned to this office. Please refer to letter dated November 30, 1970, which brought this to your attention. A copy is enclosed.

Item 5

Mr. Allen, the disappearance of the dry hole marker on the Ancon #21 is news to me. However, I will replace it one more time and you will be notified of its replacement accompanied by a colored photograph of same for your file. If you will make a field trip outside the limit of our present drilling program you will find many dry hole markers missing from their original position inasmuch as somebody has cut them off with a cutting torch and evidently needs the marker more than us or the State.

Item 6

I am sure Mr. Allen that you have repeatedly requested from us various forms to be submitted and repeatedly we have complied. Yes, we may be a little late or slow in doing so, however, we have tried in every way to conform to all regulations. Your letter sounds as though we are perpetual violators, outlaws, moonlighters or what have you. Mr. Allen, we are legitimate operators trying to develop the natural resources from under our leases as well as for the great State of Arizona. Mr. Allen, as of November 15 as reported in the Natural Resources Service, Eastern has four of the eight operations listed. Just a few other statistics, in a 40 township area, totalling one million acres, there has been 180 wells drilled. Eastern has drilled approximately 54 with 17 producers for an average of 31.4%. Eastern has been responsible for Crest Oil Company coming to the State of Arizona a number of years ago and spending money to develop the natural resources of that state. Eastern was also responsible for Western Helium coming to the State of Arizona and activating the old Arizona Helium plant with additional drilling expenditures also. Eastern is now responsible for a new joint venture program in the State of Arizona for a thirty well drilling program.

I have been dressed down by the President of Western Helium for placing that company in an embarrassing position with the state as to the filing of the proper forms mentioned in your letter. The next time you decide to dress me down or this company for not complying to the rules and regulations, I would appreciate you directing your correspondence

Mr. W. E. Allen  
Page 3

December 15, 1970

directly to this office or to me personally. I think the publication of your letter to Mr. Halter and Mr. Swain was uncalled for.

Violation #8 needs some clarification. Three weeks ago I personally visited some thirty locations for any possible violations pertaining to dry hole markers, pits and so forth and found all of the holes in satisfactory condition. Please define specifically the holes you are referring to.

Yours very truly,

EASTERN PETROLEUM COMPANY

*Henry Fullop*  
Henry Fullop

HF:sjn

cc: Western Helium Corp.  
P. O. Box 1358  
Scottsdale, Arizona 85252

Crest Oil Company  
P. O. Box 57  
Alton, Illinois 62002

Mr. John McGowan  
Attorney General's Office  
Phoenix, Arizona

471  
473  
234

December 11, 1970

Mr. John McGowan  
Office of the Attorney General  
159 Capitol Building  
Phoenix, Arizona 85007

Dear Mr. McGowan:

Attached is a copy of a letter sent to the various offending operators.

The subject operators have been requested to submit the required information both by letter and verbally many times. However, they are seemingly reluctant to comply with our rules on their own initiative.

Should you need or desire any further information pertaining to this situation, please notify me.

Very truly yours,

W. E. Allen  
Director, Enforcement Section

WEA:jd  
Enc.

234



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
4515 NORTH 7TH AVE.  
PHOENIX, ARIZONA 85013  
PHONE: (602) 271-5161

December 10, 1970

Mr. J. N. Edwards  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

Dr. C. F. Swain  
Crest Oil Company  
P. O. Box 57  
Alton, Illinois 62002

Mr. L. Halter  
Western Helium Corporation  
P. O. Box 1358  
Scottsdale, Arizona 85252

Re: Reports Required by the Oil and Gas Commission, State of  
Arizona

Gentlemen:

This letter is being directed to all the above operators because it is felt that you have a common interest in the operations of the wells and helium processing plant in the Navajo Springs area.

This situation was also discussed with Mr. Halter, Western Helium Corporation, earlier today by telephone.

Enumerated below are a number of violations that are occurring or have occurred in the past that affect in some manner all of you:

1. Eastern Petroleum has re-entered Crest Arizona Helium #8X Santa Fe Fee without obtaining permission of the Oil and Gas Commission. This situation is covered by Rule 120.
2. Eastern Petroleum is making deliveries to and Western Helium is accepting these deliveries without the filing of Form 8 in compliance with Rule 801. Neither has Form 22, Request for Gas Allowable, been submitted for the producing wells.

Page 2  
December 10, 1970  
Crest Oil Company  
Eastern Petroleum Company  
Western Helium Corporation

3. Western Helium has failed to timely file Forms 19, Gas Purchasers Monthly Report, and Forms 23, Purchasers Gas Nominations.
4. Eastern Petroleum has of this date failed to file Form 20, Producers Report of Gas Production.
5. The dry hole marker on the Eastern Ancon #21 has apparently been removed.
6. It has been necessary to repeatedly request the various forms that are required to be submitted to the Commission.
7. Very few wells have identifying signs.
8. Some wells reported plugged and abandoned still have open pits and pipe and debris on the location.

Crest #1 has been called previously to the attention of Dr. Swain.

You, as operators, of oil and/or gas properties within the State of Arizona are familiar with the rules and regulations as established by the Commission and are expected to abide by said rules and regulations. Our files contain many requests for forms that should be submitted in a routine manner. Each month it is necessary that some of you be reminded to submit Forms 25, Sundry Notices and Reports on Wells, for shut in wells. This is necessary in spite of the many letters and reminders that have been sent you regarding this particular situation.

This Commission has no desire to cause any operator unnecessary inconvenience or hardship. We do have rules and regulations that must be adhered to; and, we must insist that you abide by these rules.

This office, without further notification, will expect the above operators to be in full compliance with any and all rules and

Page 3  
December 10, 1970  
Crest Oil Company  
Eastern Petroleum Company  
Western Helium Corporation

regulations of the Commission by January 8, 1971. Also, please furnish an explanation of the purpose of the removal of the dry hole marker on the Eastern Ancon #21; and, have this marker replaced before the above mentioned compliance date. Should you not be in compliance with all the rules and regulations, this situation will be referred to the Attorney General for further handling under Arizona Revised Statutes, Section 27-524 and 27-527.

In the future notify this office at least twenty-four hours prior to the actual plugging operations in order that we may have a representative to witness the plugging of the well.

Should you have any questions regarding any of the above, please notify me.

Enclosed are copies of the Rules and Regulations of the Oil and Gas Conservation Commission.

Very truly yours,

W. E. Allen  
Director, Enforcement Section

WEA:jd  
Enc.

cc: Mr. Henry Fullop, Eastern Petroleum Company, Carmi, Illinois  
Mr. J. N. Edwards, Scottsdale, Arizona  
Mr. Thoureen, Western Helium Corporation, Scottsdale, Arizona

Certified No. 231796 - J. N. Edwards, Scottsdale, Arizona  
" " 231797 - Dr. C. F. Swain, Alton, Illinois  
" " 231798 - Mr. L. Halter, Scottsdale, Arizona  
" " 231803 - Mr. Henry Fullop, Carmi, Illinois  
" " 231804 - Mr. O. R. Thoureen, Scottsdale, Arizona

cc; Mr. John McGowan, Attorney General's Office, Phoenix

WP

537  
206

November 30, 1970

Mr. W. E. Allen  
Oil & Gas Conservation Commission  
4515 North 7th Avenue  
Phoenix, Arizona 85013

Dear Mr. Allen:

Reference is made to your letter of November 25, 1970,  
relative to gas production from SF #21, #21-A and #14.

As near as we can determine, without availability of well  
charts, 10,045 MCF of raw gas entered the Arizona Helium  
Plant in October, 1970. You understand this figure is  
subject to adjustment and to individual well quantities  
when the charts have been calculated and returned. At  
that time an amended report will be forthcoming.

Yours very truly,

*J. N. Edwards*  
EASTERN PETROLEUM COMPANY  
BY: J. N. Edwards

JNE:jsh

cc: Western Helium Corporation  
P. O. Box 1358  
Scottsdale, Arizona 85252

RECEIVED  
DEC 21 1970  
O & G CONS. COMM.

234

  
OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
4515 NORTH 7th AVE.  
PHOENIX, AZ. 85013  
Phoenix, Arizona 85007  
PHONE: 271-5161

November 25, 1970

Mr. Henry Fullop  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

Re: Eastern #21 Ancon Santa Fe	Eastern #21-1A Santa Fe Fee
SE/4 NW/4 Sec. 31-T20N-R28E	NW/4 NW/4 Sec. 31-T20N-R28E
Apache County	Apache County
Our File #234	Our File #537

Eastern #14 Santa Fe  
SE/4 NW/4 Sec. 5-T19N-R27E  
Apache County  
Our File #206

Dear Mr. Fullop:

Your Monthly Producers Report, our Form 16, for the month of October, 1970, fails to indicate any production from the above three wells. We have been informed that the above referenced wells were produced during the month of October, 1970.

Will you please submit a revised Monthly Producers Report indicating the amount of production from each of these wells. We need to receive this report by return mail in order not to hold up the production reports that we circulate to all interested parties.

In the future please have your Monthly Production Report reach this office by the tenth (10th) of the following month.

Very truly yours,

W. E. Allen  
Director, Enforcement Section

WEA:jd  
cc: Mr. J. N. Edwards, Scottsdale, Arizona  
Mr. J. N. Edwards, Carmi, Illinois

October 27, 1970

Mr. J. N. Edwards  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

Re: Eastern Petroleum Company #21 Ancon Santa Fe  
SE/4 NW/4 Section 31-T20N-R28E  
Apache County  
Our File #234

Eastern Petroleum Company #21<sup>2</sup> Ancon Santa Fe  
SE/4 NW/4 Section 31-T20N-R28E  
Apache County

Dear Mr. Edwards:

On a recent field trip we noticed that in Section 31, Township 20 North, Range 28 East, there was a well apparently temporarily abandoned. At any rate it had a dry hole marker with well designation, section, and so forth loosely screwed into the casing. The name of this well according to the marker was Eastern #21 Ancon Santa Fe SE/4 NW/4 Section 31-T20N-R28E. Approximately five to six hundred feet southeast of this well is another well designated Eastern #21 with a small numeral 2 to the right of the numeral 21, Section 31-T20N-R28E.

Our files indicate that there has been only one well drilled in this quarter quarter section of Section 31. Would you please explain the two holes that have apparently been drilled in this section carrying approximately the same well numbers.

# INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee  
(Additional charges required for these services)

## RECEIPT

Received the numbered article described below.

REGISTERED NO.	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)
CERTIFIED NO. 231788	1 <i>J. N. Edwards</i>
INSURED NO.	2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY <i>[Signature]</i>
DATE DELIVERED 10-29-70	3 SHOW WHERE DELIVERED (only if requested)

c65-16-71548-10 GPO

APACHE COUNTY  
SECTION 31-1504-8182

Don't Mr. Edwards

On a recent trip we noticed that in Section 31, Township 30 North, Range 28 East, there was a well apparently temporarily abandoned. It was a dry hole with a well design-  
ed into the ceiling. The  
was located in the center of the section. It was  
approximately five to six hundred  
feet deep. It was located in  
Section 31-1504-8182.

believe that one of the  
men would be able to  
locate this section.

# INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee  
(Additional charges required for these services)

## RECEIPT

Received the numbered article described below.

REGISTERED NO.	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)
CERTIFIED NO. 231789	1 <i>M. Edwards</i>
INSURED NO.	2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY <i>Shirley Nancy</i>
DATE DELIVERED OCT 30 1970	3 SHOW WHERE DELIVERED (only if requested)

c65-16-71548-10 GPO

Page 2  
Mr. J. N. Edwards  
October 27, 1970

In view of a hearing to be held November 20, 1970, we must have complete information regarding this well, i.e., when drilling commenced, total depth reached, formations penetrated, casing data, and any completion efforts that may have been attempted. We also need results of any tests that may have been run on this well.

Please have this information submitted to this office immediately.

Very truly yours,

W. E. Allen  
Director, Enforcement Section

WEA:jed

cc: Mr. J. N. Edwards, Scottsdale, Az.  
cc: Mr. Henry Fullop, Carmi, Illinois



OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

October 27, 1970

Mr. Ewell N. Walsh  
Walsh Engineering & Production Corp.  
P.O. Box 254  
Farmington, New Mexico

Dear Mr. Walsh:

You are requested to represent this Commission at a hearing to be held on November 20, 1970 in Tucson, Arizona. This hearing will commence at 10:00 a.m.

For your information, I am enclosing a packet containing logs, three transcripts of hearings, etc., as per our conversation of October 26th. When you are finished with the transcripts, please return them to the Commission. Should you need further background information, please advise us at your earliest convenience.

I will see that a room is reserved for you at the Flamingo on the evening of the 19th. As usual at out of town meetings, the Commission will have supper together sometime between 6 and 6:30 on the evening of the 19th and, if possible, we would appreciate you joining us.

Will you please submit your bill in the usual form.

We appreciate your cooperation.

Sincerely,

*John Bannister*  
John Bannister  
Executive Secretary

JB/vb

Enc.

537  
234

234



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE 38 2404 - P. O. BOX 22 - CARPENTERSVILLE, ILLINOIS

October 16, 1970

Arizona Oil & Gas Conservation Commission  
1616 West Adams  
Room 112  
Phoenix, Arizona 85007

Attention: Mr. John Bannister  
Executive Secretary

Dear John:

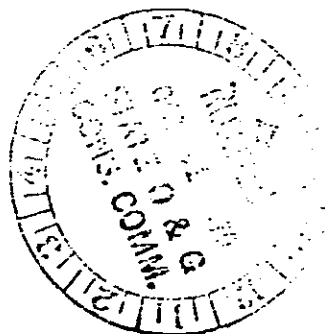
Enclosed please find the Engineering Report which I promised  
you.

Best regards,

*Henry Fullop*  
EASTERN PETROLEUM CO.  
By: Henry Fullop

HF:jsk

Enclosure



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
ROOM 202  
1624 WEST ADAMS  
Phoenix, Arizona 85007  
PHONE: 271-5161

September 15, 1970

Memo to the Commissioners

Memo from John Bannister  
Executive Secretary

This Commission has just received a request for an emergency hearing from Western Helium Corporation. This corporation seeks emergency authority to produce the Eastern #21-1A Santa Fe Fee well located in the NW/4 NW/4 Section 31, Township 20 north, Range 28 east. This well is capable of producing from the Coconino formation. There is currently a well in the same section capable of producing from the Shinarump formation being the Eastern Ancon #21 well. This well has been a shut-in helium gas well for some time; however, it did, for a period of time, produce into the Arizona Helium Plant.

The well which will be the subject of the hearing is our Permit No. 537 and was drilled as an oil well on an 80-acre spacing pattern. Of course, our permit was issued with the usual instructions that prior to producing the well, it must be able to comply with the Rule 105, our spacing regulations. Section 31, Township 20 north, Range 28 east was subject to our Order No. 41 recently issued to Eastern Petroleum granting them permission to drill as many as four wells per section to the Shinarump formation. Inasmuch as the Coconino formation is not a part of that Order, we need not consider it. The prime question here is that the well's location is totally unorthodox for a gas well to the Coconino. This well is located in the extreme NW/4 of the section rather than being centered.

I have this date granted permission for Western Helium Corporation to appear before the Commission on Friday, September 18, between 10 and 10:30 a.m. to present its case.

OFFICE OF  
Oil and Gas Conservation Commission  
STATE OF ARIZONA  
ROOM 202  
1224 WEST ADAMS  
Phoenix, Arizona 85007  
PHONE: 271-5161

August 5, 1970

Mr. Jack Pearson  
Bond Department  
United States Fidelity & Guaranty  
Company  
3605 North 7th Avenue  
Phoenix, Arizona 85013

Re: Bond No. 22651-13-955-65  
Arizona Helium Corporation

Dear Mr. Pearson:

This is to advise you that according to our records there is a total of eight wells covered under the above referenced bond. Seven of these wells are temporarily abandoned and another has been reportedly plugged and abandoned.

These wells aren't presently in violation; however, until such time as all wells are plugged and abandoned, the bond covering these wells cannot be released.

Should you need further information, please advise.

Very truly yours,

W. E. Allen  
Director of Enforcement Section

WEA:jd

Ariz. Holium

147 - Ram Oil Co. sec 14-17N-24E. Shut in Prod.

has exp. 3-22-69 better to know re. P.D. crushed - No Prod.

334 - Eastern Procon - 21-20-28 Eastern exp. Eastern Drilled.

under Ariz. Hol. Bond. Shut in.

318 - Apache Drilg. #1 Spurlock-Wetzler Fe. 5-23-19-26 T.A.

Perm. Granted to continue T.D. status 6/1 7-31-69.

322 - Apache Drilg. #2 Spurlock-Wetzler Fe. 27-18-26 T.A. No Prod

string - Eastern apparently do flow re P.D. 9-11-69

341 - Apache Drilg. #3 Spurlock-Wetzler 25-18-26 T.A.

same as above except 1/2" at 715'

3116 - Apache Drilg. #1 22-17-26 T.A.

same

342 - Apache Drilg. #1 25-20-26 T.A.

has exp. 7-16-70

355 - Apache Drilg. #1 25-17-26 T.A.

Eastern apparently do flow re P.D. 9-11-69.



*WA*

**UNITED STATES FIDELITY AND GUARANTY COMPANY**

PHOENIX OFFICE

3605 N. 7TH AVENUE, PHOENIX, ARIZONA 85013

TELEPHONE: 602/277-4411

**T. D. GIBSON**  
MANAGER

July 22, 1970

Mr. John Bannister  
Arizona Oil & Gas Conservation Commission  
1624 West Adams St.  
Phoenix, Arizona 85007

Re: Bond No. 22651-13-955-65  
Arizona Helium Corp.

Dear Mr. Bannister;

Please advise all that must be done for this bond  
to be cancelled.

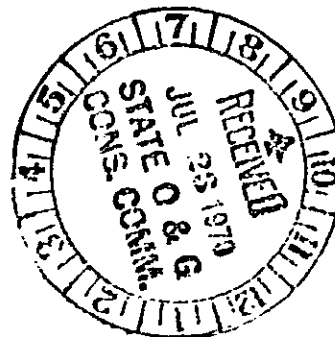
Thank you for your assistance.

Best Regards,

*Jack*

Jack Pearson  
Bond Department

JP/bs



**U. S. F. & G.**

July 16, 1970

Memo from W. E. Allen

Memo to Eastern #21 Ancon Santa Fe  
SE & NW Sec. 31-20N-28E  
Apache County  
Our File #234

This well is apparently temporarily abandoned.  
There is a 4" dry hole marker with well designation,  
section, and so forth, loosely screwed into the casing.

Approximately 600' southeast of this well is  
another well designated as Eastern #21-2, Section 31-T20N-  
R28E. This well according to the plat submitted on the  
original well would be in the approximate center of the  
southeast quarter of the northwest quarter of Section 31.  
This well is shut in. The files do not indicate that a  
change of location has been filed.

July 8, 1970

Mr. J. N. Edwards  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

Re: Eastern #21 Ancon Santa Fe	Eastern Santa Fe Fee #35
SE/4 NW/4 Sec.31-T20N-R26E	NE/4 SW/4 Sec.27-T20N-R27E
Apache County	Apache County
Our File #234	Our File #263

Dear Mr. Edwards:

As of this date we haven't received Form 25, Sundry Notice, for the month of June on the subject wells. As you know, these reports are needed each month while the wells are shut in.

It would be appreciated if you would have these reports mailed to this office as quickly as possible after the end of each month.

Your cooperation in furnishing the required information to this office will be appreciated.

Very truly yours,

W. E. Allen  
Director of Enforcement Section

WEA:jd  
Enc.

May 13, 1970

Personal

Mr. Henry Fullop  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

Re: Eastern #21 Ancon Santa Fe  
SE/4 NW/4 Sec. 31-T20N-R28E  
Apache County, Arizona  
Our File #234

Eastern Santa Fe Fee #35  
NE/4 SW/4 Sec. 27-T20N-R27E  
Apache County, Arizona  
Our File #263

Dear Hank:

We have recently tried several times to get Jess to file our Form 25 on the two captioned wells. So far, no luck. Will you please see that these forms come in immediately. As you are aware, we must keep the paperwork on our files up to date in case we are ever questioned by the Commissioners. I realize this is frequently a hardship; however, it is something that must be done. Please see that these forms are filed immediately. Thanks for your cooperation.

Sincerely,

John Bannister  
Executive Secretary

JB:jld  
Enc.

April 31, 1970

Mr. J. N. Edwards  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois

Re: Eastern Santa Fe #35  
T20N, R27E, G & SRM  
Sec. 27: NE/4 SW/4  
Apache County  
Our File #263

Eastern #21 Ancon Santa Fe  
T20N, R28E, G & SRM  
Sec. 31: SE/4 NW/4  
Apache County  
Our File #234

Dear Jess:

Again I must request that you submit Form 25's on these two wells. We have received no reports on the captioned wells from you since March 11. Please bring Eastern immediately into compliance with these reporting obligations.

Sincerely,

John Bannister  
Executive Secretary

JB:jd  
Enc.

February 25, 1970

Mr. J. N. Edwards  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois

Re: Eastern Santa Fe Fee #85  
T20N, R27E, G & SRM  
Sec. 27: NE/4 SW/4  
Apache County  
Our File #263

Eastern #21 Ancon Santa Fe  
T20N, R28E, G & SRM  
Sec. 31: SE/4 NW/4  
Apache County  
Our File #224

Dear Mr. Edwards:

This is to again remind you that if the captioned wells are still shut in you are required to submit a Form 25 at the end of each month stating this status and advising of future plans. As this form is required monthly for each well that is shut in there should be no need to remind you each time concerning this matter.

Sincerely,

John Hannister  
Executive Secretary

jd  
Enc.

A-Clono  
X-263

December 26, 1969

Mr. J. N. Edwards  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

Re: Eastern Santa Fe Fee #35  
T20N, R27E, G & SRM  
Sec. 27: NE/4 SW/4  
Apache County  
Permit #263

Eastern #21 Ancon Santa Fe  
T20N, R28E, G & SRM  
Sec. 31: SE/4 NW/4  
Apache County  
Permit #234

Dear Mr. Edwards:

We note that on the Monthly Producers Reports you have indicated there has been no production on the captioned wells for the past several months. We assume, therefore, that these wells are shut in. As long as these wells remain shut in you are required to submit a monthly Sundry Notice to this office stating this status and advising of future plans.

Sincerely,

John Bannister  
Executive Secretary

jd  
Enc.

OFFICE OF  
Oil and Gas Conservation Commission  
STATE OF ARIZONA  
ROOM 202  
1624 WEST ADAMS  
Phoenix, Arizona 85007  
PHONE: 271-5161

Dear Hank,

Appreciate your comments about  
your operations on the phone last  
evening.

Would you please ask someone  
there to furnish us some written  
reports on your two wildcats  
(info to be kept confidential) and  
on the Ancon?

Thanks kindly and

Best regards,

Jim Scurlock

P.S. Hank, just a reminder that on  
the Shaween #1 Navajo, a copy  
of your sundries report to the  
U.S.G.S. will suffice for us.

June 5, 1969

Mr. J. N. Edwards  
Eastern Petroleum Company  
P. O. Box 231  
Carmi, Illinois 62821

Re: Navajo Springs Unit Wells

Dear Mr. Edwards:

This letter constitutes permission from this Commission  
to suspend the annual testing for the captioned wells  
as provided by Rule 401 during June, 1969.

Sincerely,

John Bannister  
Executive Secretary

JAL:jf

cc: Mr. Henry Fullop, Eastern Petroleum Company



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE 36 2222 - P.O. BOX 751 - CARMEL, ILLINOIS

June 3, 1969

Mr. John Bannister  
Oil & Gas Conservation Comm.  
1624 West Adams, Room 202  
Phoenix, Arizona 85007

Re: Capacity Tests of Gas Wells

Dear Mr. Bannister:

Reference is made to Mr. Lambert's letter of May 22 relative to annual testing of gas wells under Rule 401.

You will recall that last year this requirement was waived for Kerr-McGee's Pinta Dome Unit for various reasons and for Navajo Springs. Please refer to my letter of July 5, 1968 and yours of June 21.

Is there any particular reason why this cannot be waived this year. Please advise at an early date.

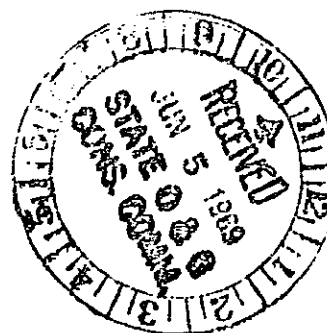
Didn't take long for you to get the Corporation Commission on the ball. Thanks.

Yours very truly,

EASTERN PETROLEUM COMPANY

*J. N. Edwards*  
J. N. Edwards

JNE:sjn



OFFICE OF  
Oil and Gas Conservation Commission  
STATE OF ARIZONA  
ROOM 202  
1824 WEST ADAMS  
Phoenix, Arizona 85007  
PHONE: 271-5161

X-Lambert  
X-Corona

May 22, 1969

Mr. Henry Fullop  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois 62821

Re: Eastern Santa Fe #13  
Eastern Santa Fe #14  
Eastern Santa Fe #17  
Eastern Santa Fe #31  
Eastern Santa Fe #32  
Eastern Santa Fe #35  
Eastern Ancon Santa Fe #21  
Eastern Reese #2  
Kerr-McGee Barfoot State #1  
Crest Santa Fe #2  
Crest Santa Fe #7

Permit #194  
Permit #206 } X  
Permit #236 }  
Permit #255 }  
Permit #258 }  
Permit #263 }  
Permit #234 }  
Permit #348 } X  
Permit #238 }  
Permit #110 }  
Permit #204 }

Dear Mr. Fullop:

In accordance with Rule 401 the Oil and Gas Conservation Commission, State of Arizona, has adopted procedures for the annual testing for all gas and/or helium wells.

The Commission's procedure is based upon and must be used in conjunction with the Manual of Back-pressure Testing of Gas Wells as issued by Interstate Oil Compact Commission, P. O. Box 53127, Oklahoma City, Oklahoma 73105.

The Commission has prepared, in addition, a supplement to the IOCC manual inasmuch as that manual is based upon a pressure base other than the 15.025 required by the State of Arizona. The supplement to the IOCC manual has made all necessary corrections to the IOCC manual to reflect the 15.025 pressure base.

Page 2  
Mr. Henry Fullop  
May 22, 1969

The tests as required by Rule 401 shall be conducted during the month of June each year and reported in duplicate by July 10th of each year. Forms 18 and 20 will be used for this purpose.

Yours truly,

James A. Lambert  
Administrative Assistant

JB:jf  
Enc.  
copy to Mr. J. N. Edwards

October 17, 1968

Mr. Robert B. MacTough  
Arizona Helium Corporation  
P. O. Box 14427  
Phoenix, Arizona 85031

Re: Eastern Ancon Santa  
Fe Fee #21  
T20N, R28E, G & SRM  
Sec. 31: NW SE NW  
Apache County Arizona  
Permit #234

Dear Mr. MacTough:

We received notification of the U.S.F.&G. Company  
that they accepted the captioned well under your  
bond today.

Please submit test results obtained on this well.  
Our geologist reported that you were testing this  
well.

Yours truly,

James A. Lambert  
Administrative Assistant

JAL:JB

*Testing Air He Corp new plant  
not this well.  
No req. for test at this time  
92  
10/24/68*



UNITED STATES FIDELITY AND GUARANTY COMPANY

PHOENIX OFFICE

3605 N. 7TH AVENUE, PHOENIX, ARIZONA 85013

TELEPHONE: 602/277-4411

T. D. GIBSON  
MANAGER

October 9, 1968

Mr. John Bannister  
The Arizona Oil & Gas  
Conservation Commission  
1624 West Adams Street  
Phoenix, Arizona 85007

Re: Bond No. 22651-13-955-65  
Arizona Helium Corporation

Dear Mr. Bannister:

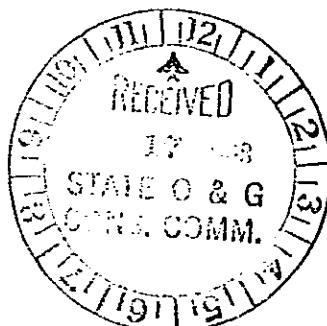
As per the request we received from our principal, please find enclosed the necessary rider amending the location of drilling operations for Arizona Helium Corporation. At your earliest convenience, could you please examine this rider. If there are any questions, or if it does not meet your approval, please advise.

Cordially yours,

Gerald Dana  
Bond Department

GD/jf  
Enc.

#234



**UNITED STATES FIDELITY AND GUARANTY COMPANY**

**BALTIMORE, MARYLAND**

(A Stock Insurance Company)



To be attached to and form a part of bond number 22651-13-955-65, issued by the United States Fidelity, and Guaranty company of Baltimore, Maryland, on behalf of Arizona Helium Corporation, Inc. in favor of the State of Arizona and in the amount of Twenty-five thousand and n/100 (25000.00)

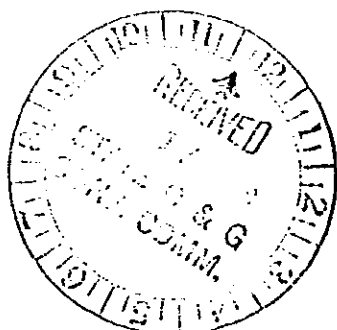
It is hereby understood and agreed that effective this 7th day of October, 1968, the location of drilling operators as originally specified in this bond is amended to include Section 31, Township 20 N, range 28 E, in Apache County, State of Arizona.

Signed, Sealed, and Dated: October 7, 1968

By: Arizona Helium Corporation, Inc.

UNITED STATES FIDELITY AND GUARANTY  
COMPANY

BY:   
William E. Shimer  
Attorney-in-fact



(CERTIFIED COPY)

## GENERAL POWER OF ATTORNEY

No. 77085

Know all Men by these Presents:

That UNITED STATES FIDELITY AND GUARANTY COMPANY, a corporation organized and existing under the laws of the State of Maryland, and having its principal office at the City of Baltimore, in the State of Maryland, does hereby constitute and appoint

William E. Shimer

of the City of Phoenix, State of Arizona,  
its true and lawful attorney ~~XXXXXXXXXXXXXXXXXXXX~~

for the following purposes, to wit:

To sign its name as surety to, and to execute, seal and acknowledge any and all bonds, and to respectively do and perform any and all acts and things set forth in the resolution of the Board of Directors of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, a certified copy of which is hereto annexed and made a part of this Power of Attorney; and the said UNITED STATES FIDELITY AND GUARANTY COMPANY, through us, its Board of Directors, hereby ratifies and confirms all and whatsoever the said

William E. Shimer

may lawfully do in the premises by virtue of these presents.

In Witness Whereof, the said UNITED STATES FIDELITY AND GUARANTY COMPANY has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its Vice-President and Assistant Secretary, this 24th day of August, A. D. 19 65

UNITED STATES FIDELITY AND GUARANTY COMPANY.

(Signed)

By C. S. Adams, Jr.

Vice-President.

(SEAL)

(Signed)

A. W. Griffith

Assistant Secretary.

STATE OF MARYLAND

BALTIMORE CITY,

On this 24th day of August

, A. D. 19 65, before me personally came

C. S. Adams, Jr., Vice-President of the UNITED STATES FIDELITY AND GUARANTY COMPANY and A. W. Griffith, Assistant Secretary of said Company, with both of

whom I am personally acquainted, who being by me severally duly sworn, said that they resided in the City of Baltimore, Maryland; that they, the said C. S. Adams, Jr. and A. W. Griffith were respectively

the Vice-President and the Assistant Secretary of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, the corporation described in and which executed the foregoing Power of Attorney; that they each knew the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as Vice-President and Assistant Secretary, respectively, of the Company.

My commission expires the first day in July, A. D. 19 67.

(SEAL)

(Signed)

Anne M. O'Brien

Notary Public.

STATE OF MARYLAND,

BALTIMORE CITY,

Sct.

I, James F. Carney, Clerk of the Superior Court of Baltimore City, which Court is a Court of Record, and has a seal, do hereby certify that Anne M. O'Brien, Esquire, before whom the annexed affidavits were made, and who has thereto subscribed his name, was at the time of so doing a Notary Public of the State of Maryland, in and for the City of Baltimore, duly commissioned and sworn and authorized by law to administer oaths and take acknowledgments, or proof of deeds to be recorded therein. I further certify that I am acquainted with the handwriting of the said Notary, and verily believe the signature to be his genuine signature.

In Testimony Whereof, I hereto set my hand and affix the seal of the Superior Court of Baltimore City, the same being a Court of Record, this 24th day of August, A. D. 19 65

(Seal)

(Signed)

James F. Carney

Clerk of the Superior Court of Baltimore City.

COPY OF RESOLUTION

That Whereas, it is necessary for the effectual transaction of business that this Company appoint agents and attorneys with power and authority to act for it and in its name in States other than Maryland, and in the Territories of the United States and in the Provinces of the Dominion of Canada and in the Colony of Newfoundland.

Therefore, be it Resolved, that this Company do, and it hereby does, authorize and empower its President or either of its Vice-Presidents in conjunction with its Secretary or one of its Assistant Secretaries, under its corporate seal, to appoint any person or persons as attorney or attorneys-in-fact, or agent or agents of said Company, in its name and as its act, to execute and deliver any and all contracts guaranteeing the fidelity of persons holding positions of public or private trust, guaranteeing the performances of contracts other than insurance policies and executing or guaranteeing bonds and undertakings, required or permitted in all actions or proceedings, or by law allowed, and

Also, in its name and as its attorney or attorneys-in-fact, or agent or agents to execute and guarantee the conditions of any and all bonds, recognizances, obligations, stipulations, undertakings or anything in the nature of either of the same, which are or may by law, municipal or otherwise, or by any Statute of the United States or of any State or Territory of the United States or of the Provinces of the Dominion of Canada or of the Colony of Newfoundland, or by the rules, regulations, orders, customs, practice or discretion of any board, body, organization, office or officer, local, municipal or otherwise, be allowed, required or permitted to be executed, made, taken, given, tendered, accepted, filed or recorded for the security or protection of, by or for any person or persons, corporation, body, office, interest, municipality or other association or organization whatsoever, in any and all capacities whatsoever, conditioned for the doing or not doing of anything or any conditions which may be provided for in any such bond, recognizance, obligation, stipulation, or undertaking, or anything in the nature of either of the same.

I, **H. G. Sachse**, an Assistant Secretary of the UNITED STATES FIDELITY AND GUARANTY COMPANY, do hereby certify that the foregoing is a full, true and correct copy of the original power of attorney given by said Company to **William E. Shimer**

of **Phoenix, Arizona**, authorizing and empowering **him** to sign bonds as therein set forth, which power of attorney has never been revoked and is still in full force and effect.

And I do further certify that said Power of Attorney was given in pursuance of a resolution adopted at a regular meeting of the Board of Directors of said Company, duly called and held at the office of the Company in the City of Baltimore, on the 11th day of July, 1910, at which meeting a quorum of the Board of Directors was present, and that the foregoing is a true and correct copy of said resolution, and the whole thereof as recorded in the minutes of said meeting.

In Testimony Whereof, I have hereunto set my hand and the seal of the UNITED STATES FIDELITY AND GUARANTY COMPANY on

(Date) 10-9-68

*H G Sachse*

Assistant Secretary.

October 4, 1968  
Time: 3:10 p.m.

Memo: File  
From: J. Lambert

Re: Eastern Ancon Santa Fe Fee #21  
T20N, R28E, G & SRM  
Sec. 31: NW SE NW  
Apache County, Arizona  
Permit #234

Telephoned Arizona Helium this date. Requested ~~from~~ Mr. McTough that we be given a progress report via Sundry Notice on the activities of this well. Asked that we be furnished test results. This well has been covered by Eastern's bond; so, I asked Mr. McTough to have U.S.F. & G. to notify the Commission that the well would be covered by Arizona Helium's blanket bond.

There is a designation of operators from Eastern to Apache dated 1-29-68. Arizona Helium is successor corporation to Apache Drilling.

76

10/7/68

234

Operator Eastern Petroleum Company

Bond Company U. S. Fidelity & Guaranty Co. Amount \$10,000

Bond No. 27716-13-3746-60 Date Approved 8-1-60

Permits covered by this bond:

SEE this  
file

269✓

234✓

81✓

230✓

252✓

229✓

251✓

237✓

107✓

236✓

207✓

218✓

157✓

209✓

88✓

206✓

80✓

194✓

78✓

188✓

264✓

155✓

263✓

150✓

273✓

152✓

259✓

109✓

258✓

108✓

255✓

107✓

282✓

250✓

276✓

284✓

227✓

CANCELLED

DATE Jan 11-22-65

June 21, 1968

Mr. J. N. Edwards  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois

Dear Mr. Edwards:

In reponse to your request of June 10, 1968, this letter constitutes permission from this commisssion to exempt annual gas Capacity Test on the Ancon Santa Fe #21 well and the following shut-in helium wells in Navajo Springs Unit:

<u>Well No.</u>	<u>Tract No.</u>	<u>Location</u>
Santa Fe #14	III	5-19-27
Santa Fe #17	IV	4-19-27
Santa Fe #31	X	29-20-27
Santa Fe #32	XI	28-20-27
Santa Fe #35	XII	27-20-27
Reese #2	VII	1-19-26
Crest S.F. #7	II	7-19-27
Crest S.F. #2	V	33-20-27

Very truly yours,

John Bannister  
Executive Secretary  
jr



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

TELEPHONE NO. 10-11004 - P. O. BOX 2011 - PHOENIX, ARIZONA

June 10, 1968

Mr. John Bannister  
Executive Secretary  
Oil & Gas Conservation Comm.  
Room 202, 1624 West Adams  
Phoenix, Arizona 85007



Re: Back-Pressure Tests

Dear Mr. Bannister:

In accordance with your letter of June 6, 1968, we are applying for exemption from testing requirements for the following shut-in helium wells in Navajo Springs Unit:

<u>Well No.</u>	<u>Tract No.</u>	<u>Location</u>
Santa Fe #14	III	5-19-27
Santa Fe #17	IV	4-19-27
Santa Fe #31	X	29-20-27
Santa Fe #32	XI	28-20-27
Santa Fe #35	XII	27-20-27
Reese #2	VII	1-19-26
Crest S.F. #7	II	7-19-27
Crest S.F. #2	V	33-20-27

also,

Ancon S.F. #21

31-20-28

Inasmuch as we have no plans at present to produce any of these wells we feel no useful purpose would result from such tests.

Test results of Santa Fe #13, Sec. 30-20-27 and Barfoot-State #1, Sec. 31-20-27 will be forwarded within the prescribed time.

Yours very truly,

EASTERN PETROLEUM COMPANY

*J. N. Edwards*  
J. N. Edwards

*OK*

JNE:sjn

June 6, 1968

Eastern Petroleum Company  
P.O. Box 291  
Carmi, Illinois

Attention: Mr. Henry Fullop

Gentlemen:

Your attention is referred to our letter of May 13, 1968 and Directive D-2-68 dated May 1, 1968, concerning capacity testing of all gas and/or helium wells.

As you are aware, you as operator of the Navajo Springs Unit are responsible for compliance on all wells in the Unit, both producing and non-producing (shut-in).

Should good and sufficient reasons be stated for deferment of this testing on specified wells, this Commission would give due consideration.

Very truly yours,

John Bannister  
Executive Secretary  
mr  
enc

November 20, 1967

Apache Drilling Company Inc.  
3440 N. 16th St. - Suite 10  
Phoenix, Arizona 85016

Arizona Helium Corp.  
P.O. Box 14427  
Phoenix, Arizona 85031

Attention: Mr. R.H. McDonald

Re: Crest #8 Santa Fe  
SE NW 25-20N-27E, Apache County  
Permit 134

Eastern #21 Santa Fe Ancon  
SE NW 31-20N-28E, Apache County  
Permit 234

Gentlemen:

Attached for your information is the report of the gas analysis from the captioned wells.

Should you have any questions, would you please advise.

Very truly yours,

John Bannister  
Executive Secretary  
BT  
enc

cc: Mr. John Anderson, U.S.G.S., P.O. Box 1857, Roswell, N.M.  
Mr. Ewell N. Walsh, P.O. Box 254, Farmington, N.M. 87401

November 6, 1967

Apache Drilling Company Inc.  
3440 N. 16th St. - Suite 10  
Phoenix, Arizona 85016

Attention: Mr. C.T. Henderson

Re: Crest #8 Santa Fe  
SE NW 25-20N-27E  
Apache County  
Permit 134

Eastern #21 Santa Fe Ancon  
SE NW 31-20N-28E  
Apache County  
Permit 234

Arizona Helium Corp.  
P.O. Box 14427  
Phoenix, Arizona 85031

Attention: Mr. R.H. McDonald

Gentlemen:

Attached hereto please find report from Mr. Ewell N. Walsh, the petroleum engineer recently hired by this Commission to test captioned wells. His report is in the form of a letter dated November 3, 1967 and an open flow potential report of the Eastern #21 Santa Fe.

The samples taken have been sent to Amarillo to be analyzed and the results will be filed with this Commission. At such date as these results are in our hands we will forward copies.

Very truly yours,

John Bannister  
Executive Secretary  
mr  
enc

May 13, 1965

Mr. Henry Fallop  
Eastern Petroleum Company  
Box 291  
Carmi, Illinois

Dear Hank:

Attached is a list showing Eastern's wells and what we need from Eastern Petroleum in order to complete our files.

We have attempted in the past to get you to furnish this information. I do not want to have to go against the board or to get the Attorney General in on this in order to secure this information which, as you know, by law the Commission is entitled to.

If you need any forms, or if we can help you in any way in securing and filing this information, please let us know.

Please comply with this request at your earliest convenience.

Sincerely,

John Bannister  
Executive Secretary

nr  
enc

cc: Attorney General

# EASTERN

Land No. 27716-13-3196-00  
U.S. Fed. & Grant Co.

1 EASTERN SANTA FE #23

Sec 25-21N-28E

Apache Co., ARIZ

Need:

- ① Completion report  
formation type; color; etc.
- ② Logs

2 Santa Fe #12

Sec 11-20N-27E

Apache Co.

Need: ① plugging report

② Completion "

③ logs

3 Coyote Creek #1

Sec 27-10N-30E

Apache Co.

Need: ① plugging report

② Completion "

③ logs

430

Santa Fe Sec #20 Need: ① apply to plug

Sec 23-19N-27E

② plugging record

③ Completion "

451

Santa Fe Core Hole #2 Need: ① plugging record

Sec 31-20N-27E

Apache Co.

Core Hole

② Completion "

③ logs

452

Santa Fe Core Hole #1 Need: ① plugging record

Sec 31-20N-27E

Apache Co.

② Completion "

③ logs

453

Santa Fe Sec #16 Need: 1) plugging record

Sec 31-21N-29E

Apache Co.

2) completion "

3) logs

107 Santa Fe Sec #18 Need: 1) Logging record  
Sec 13-20N-27E 2) Completion "  
Apache Co.

Santa Fe Sec #19 Need: 1) Logging report  
Sec 12-19N-27E 2) Completion "  
Apache Co.

108 Santa Fe Sec #15 Need: 1) Completion report  
Sec 15-20N-27E  
Apache Co.

109 Eastern #1 Reese Need: 1) Completion report  
Sec 1-19N-28E 2) Log  
Apache Co.

107 Santa Fe #1 Need: 1) Completion report  
Sec 35-21N-26E  
Apache Co.  
Start test

108 Santa Fe #21 Need: 1) Completion report  
Sec 7-20N-27E  
Apache Co.

109 Santa Fe #3 Need: 1) Completion report  
Sec 9-19N-27E  
Apache Co.

Unit

No.

50

Unit Fe #5  
Dec 9-194-28E  
Opache Co.

need: ~~stopping record~~  
completion record

Unit Fe #6  
Dec 25-204-28E  
Opache Co.

need: completion report

34

Unit Fe #21  
Dec 3-204-28E  
Opache Co.

need: logs  
(1) completion report

227

Unit Fe #23

need: (1) logs  
(2) completion report

Note: Eastern should be informed  
that we require (1) formation tops,  
(2) Drill stem test descriptions, and  
(3) Core descriptions on the  
completion forms.

C  
O  
P  
Y

ARKANSAS LOUISIANA GAS COMPANY

Shreveport, Louisiana

August 14, 1964

Arizona Oil and Gas Commission  
1624 West Adams  
Phoenix, Arizona

Attention: Mr. John Bannister

Gentlemen:

In accordance with your request to receive the test results on the wells in the Navajo Springs Field, Apache County, Arizona, we are enclosing herewith, in duplicate, the results of these tests.

Each well was tested at what we speak of as a maximum rate of flow - that is, the maximum rate at which we produced the well; and the rates of flow where the wellhead pressure approached 100 pounds. This is indicated under Column 2 where it says, "Well Tubing Pressure-PSIG." You will note that a volume of 1800 MCFPD was measured from eight wells, testing these wells from 15 to 18 1/2 hours each. These are our field calculations, and there may be a slight change in the total volume when the final calculations are determined. The volumes of gas in MCFPD have

been corrected to indicate the standard conditions of measuring gas at 15.025 pressure base.

I would like to take this opportunity to express to you how much I appreciate you and your staff turning over the records of the Conservation Office and the assistance which was given to me on my two trips to Phoenix. If the volumes are any different on our final calculations, I will forward a copy to your office.

Yours very truly,

ARKANSAS LOUISIANA GAS COMPANY

(signed)  
P.B. Emons  
Proration Engineer

PBE:kt  
Enclosures



PAUL FANNIN  
GOVERNOR

LYNN LOCKHART  
CHAIRMAN

R. KEITH WALDEN  
VICE CHAIRMAN

CHARLES KALIL, M.D.  
MEMBER

ORME LEWIS  
MEMBER

LUCIEN B. OWENS  
MEMBER

OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

ROOM 202

1824 WEST ADAMS

Phoenix, Arizona 85007

PHONE: 271-8161

JOHN BANNISTER  
EXECUTIVE SECRETARY

JOHN K. PETTY  
PETROLEUM GEOLOGIST

August 3, 1964

Mr. J. N. Edwards  
Eastern Petroleum Company  
Box 291  
Carmi, Illinois

Dear Mr. Edwards:

In reviewing our files we find that we are without numerous and various forms necessary to complete our files in some cases, and in others the required forms are necessary that we may keep our files current with the operations of your wells. I am enclosing a substantial number of the required forms together with a guide so that you may fill out the proper information with the wells concerned. Inasmuch as we are trying to stay current your early cooperation will be appreciated.

If there is any assistance that we may give please advise.

Very truly yours,

Bill Cooper  
Records Section

234

August 6, 1963

Mr. Henry Fullop, President  
Eastern Petroleum Company  
P. O. Box 291  
Carmi, Illinois

Re: Eastern Petroleum - Ancon - Santa Fe Fee #21  
Sec. 31, 20N, 28E, Apache County, Arizona

Eastern Petroleum - Santa Fe Fee #18 - Sec. 13,  
20N, 27E, Apache County, Arizona

Dear Sir:

Enclosed are your approved copies of application to  
drill the captioned locations together with the re-  
ceipts for the two \$25.00 permit fees paid by you to  
this commission.

Yours very truly,

N. A. Ludewick  
Executive Secretary

encs 4

PAUL FANNIN  
GOVERNOR  
R. KEITH WALDEN  
CHAIRMAN  
LYNN LOCKHART  
VICE CHAIRMAN  
CHARLES KALIL, M.D.  
MEMBER  
ROBERT B. HEWARD  
MEMBER  
ORME LEWIS  
MEMBER



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
ROOM 202  
1624 WEST ADAMS  
Phoenix 7, Arizona  
271-5161

N. A. LUDEWICK  
EXECUTIVE SECRETARY  
JOHN K. PETTY  
PETROLEUM GEOLOGIST

August 2, 1963

Mr. Henry Fullop, President  
Eastern Petroleum Company  
Post Office Box 291  
Carmi, Illinois

Dear Mr. Fullop:

As Chairman of the Oil and Gas Conservation Commission of the State of Arizona, I am writing to advise you of the findings of the Commission with respect to the illegal drilling of an oil well by Eastern Petroleum Company in Section 31, Township 20 North, Range 28 East, G. & S. R. B. & M., Apache County, Arizona.

The Commission, meeting in executive session to consider the evidence presented both by the State of Arizona and yourself, on behalf of Eastern Petroleum Company, found the following:

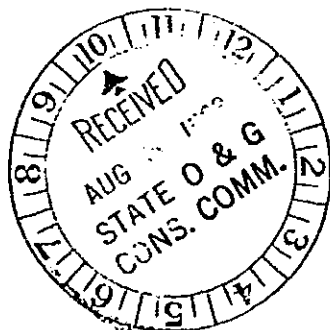
1. The existence of unrefuted evidence of a violation of Arizona Revised Statutes 27-513, Rule 101 and Rule 102 of the Rules and Regulations of the Oil and Gas Conservation Commission of the State of Arizona;
2. A modicum of good faith on the part of Eastern Petroleum Company in that the well was drilled on properly leased land.

As a result of its findings, the Commission has decided to forestall overt disciplinary action at this time, but has requested me to advise you that a repetition of this behavior will result, as a minimum, in the suspension of issuance of any further permits to Eastern for an extended period of time.

I feel it appropriate to advise you that the Commission is presently considering the adoption of rules and regulations which would preclude any recurrence of a violation of this type. Such rules would include an assessment of a penalty to defray the investigative costs to the State.

Very truly yours,

R. Keith Walden  
Chairman



234  
RKW:ac



DEPARTMENT OF LAW  
OFFICE OF THE

**Attorney General**  
STATE CAPITOL  
Phoenix 7, Arizona

ROBERT W. PICKRELL  
THE ATTORNEY GENERAL

WILLIAM E. EUBANK  
CHIEF ASSISTANT ATTORNEY GENERAL

July 3, 1963

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Henry Fullop  
President  
Eastern Petroleum Company  
P.O. Box 291  
Carmi, Illinois

Dear Mr. Fullop:

Please consider this communication notice of the intention of the Oil and Gas Conservation Commission of the State of Arizona to hear evidence and consider a future course of action to be followed in the matter of the illegal drilling of an oil well on Section 31, Township 26N, Range 23E, approximately eight miles south of Chambers, Arizona, by Eastern Petroleum Company.

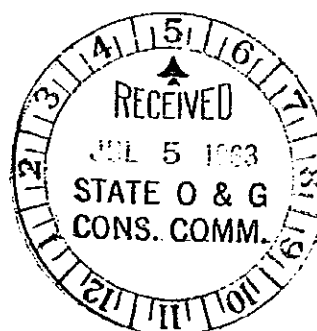
This matter will be heard at the next regular meeting of the Commission on July 24, 1963, at 9:30 a.m. in the Commission's office, Phoenix, Arizona. You or a duly qualified representative of Eastern Petroleum Company are invited to attend this hearing and will be given an opportunity to offer evidence.

Very truly yours,

ROBERT W. PICKRELL  
The Attorney General

EDWARD I. KENNEDY  
Assistant Attorney General  
Council for Oil and Gas Conservation  
Commission of the State of Arizona

RIK:eh  
cc: R. Keith Walden, Chairman  
Lynn Lockhart, Vice-Chairman  
Charles Enlil, M.D., Member  
Robert B. Howard, Member  
Omar Lewis, Member  
W. A. Ludwick, Executive Secretary  
John K. Petty, Petroleum Geologist





DEPARTMENT OF LAW  
OFFICE OF THE  
**Attorney General**  
STATE CAPITOL  
Phoenix 7, Arizona

ROBERT W. PICKRELL  
THE ATTORNEY GENERAL  
WILLIAM E. EUBANK  
CHIEF ASSISTANT ATTORNEY GENERAL

July 3, 1963

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Henry Mullop  
President  
Eastern Petroleum Company  
P.O. Box 291  
Carmi, Illinois

Dear Mr. Mullop:

Please consider this communication notice of the intention of the Oil and Gas Conservation Commission of the State of Arizona to hear evidence and consider a future course of action to be followed in the matter of the illegal drilling of an oil well on Section 31, Township 20N, Range 20E, approximately eight miles south of Chambers, Arizona, by Eastern Petroleum Company.

This matter will be heard at the next regular meeting of the Commission on July 24, 1963, at 9:30 a.m. in the Commission's office, Phoenix, Arizona. You or a duly qualified representative of Eastern Petroleum Company are invited to attend this hearing and will be given an opportunity to offer evidence.

Very truly yours,

ROBERT W. PICKRELL  
The Attorney General

EDWARD I. KENNEDY  
Assistant Attorney General  
Counsel for Oil and Gas Conservation  
Commission of the State of Arizona

EIK:eh

cc: R. Keith Walden, Chairman  
Lynn Lockhart, Vice-Chairman  
Charles Kalil, M.D., Member  
Robert B. Howard, Member  
Orme Lewis, Member  
N. A. Ludenick, Executive Secretary  
John K. Petty, Petroleum Geologist

COPY



DEPARTMENT OF LAW  
OFFICE OF THE  
**Attorney General**  
STATE CAPITOL  
Phoenix 7, Arizona

ROBERT W. PICKRELL  
THE ATTORNEY GENERAL  
WILLIAM E. EUBANK  
CHIEF ASSISTANT ATTORNEY GENERAL

June 24, 1963

Oil and Gas Conservation Commission  
Of the State Of Arizona  
Room 202, Capitol Annex East  
Phoenix 7, Arizona

Dear Mr. Walden:

Recently, Mr. N.A. Luewick requested that I advise the Commission as to the procedure to be followed when a violation of one of the Commission rules, regulations, or applicable statutes was being violated.

Please be advised that I have looked into this matter and on the attached I have outlined the procedure as requested.

Sincerely,

ROBERT W. PICKRELL  
The Attorney General

EDWARD I. KENNEDY  
Assistant Attorney General

EIK:paw

cc: Lynn Lockhart, Vice Chairman  
Charles Kalil, M.D.  
Robert B. Howard  
Orme Lewis, Esq.  
N.A. Luewick, Executive Secretary  
John K. Petty, Petroleum Geologist.

COPY

PROCEDURES TO BE FOLLOWED BY COMMISSION

In the event of a violation of any of the statutes, rules, or regulations enforced by the Oil And Gas Conservation Commission of this state, the following remedies are available to this Commission:

1. Temporary restraining order.
2. Preliminary injunction.
3. Prohibitory injunction.
4. Mandatory injunction.
5. File criminal complaint under A.R.S. 27-527 when appropriate.

The procedure to be followed by the Commissioned is as follows:

1. Notice to the violator to desist from such violation or threat of violation.
2. Upon refusal to desist, file a civil complaint in which one or more of the above indicated remedies is prayed for.
3. File a criminal complaint under A.R.S. 27-524 with the local county attorney as indicated.

It is my understanding the violator in the instant case presently has on file with the Commission, additional applications for a permit to drill additional wells. It is my recommendation the Commission act on the purported violation which is the subject of this inquiry before approving the new application. The procedure to be followed by the Commission in this instance is probably a subject for discussion by the entire Commission, preferably in an executive session.

Sincerely,

ROBERT W. PICKRELL  
The Attorney General

EDWARD I. KENNEDY  
Assistant Attorney General

EIK:paw

cc: Lynn Lockhart, Vice Chairman  
Charles Kalil, M.D.  
Robert B. Howard  
Orme Lewis, Esq.  
N.A. Lueewick, Executive Secretary  
John K. Petty, Petroleum Geologist.

May 27, 1963

Mr. R. Keith Walden, Chairman  
Oil and Gas Conservation Commission  
P. O. Box 1271  
Tucson, Arizona

Re: Eastern Petroleum Co. - Ancon-Santa Fe Fee Well #21  
S Section 31, T20N, R28E, Apache County, Arizona

Dear Mr. Walden:

Confirming our telephone conversation of today, I am enclosing the application from Eastern Petroleum Company on the captioned well.

As detailed to you, John Petty and I had information that this well was drilled, was in trouble and probably would not be completed properly.

I talked to Mr. Fullop at Navajo this morning and he told me that he was very sorry that he had drilled at a location that had not been permitted by this commission. I accepted this apology since we had received his application this morning; however, I was very emphatic that the commission would not condone any departures from its rules and regulations of which he and his company were well aware.

Yours very truly,

N. A. Ludewick  
Executive Secretary

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May 27, 1963

Re: Eastern Petro. - Ancon-Santa Fe Fee #21

Dear Mr. Walden:

Our statute provides that any person who violates a rule or regulation of the commission is subject to a civil penalty of not more than \$1,000 for each violation and for each day each violation continues which is certainly applicable in the case of the drilling of the captioned well.

Since I have talked to Mr. Fullop and he has admitted his error in mislocating (as he claims) the well in Sec. 31 and knows from my conversation with him that the commission will not and does not condone these violations of its rules and regulations, I wonder if any punitive action would be necessary.

It is my thought that a letter from you to Mr. Fullop, stating that the commission is empowered to prescribe penalties for an obvious violation of its rules and regulations and that it would, in this instance, consider the starting of this well an inadvertent violation, would produce the necessary notice of our concern.

This is for your consideration.

EASTERN PETROLEUM CO.  
ACCOUNT NO. 2

DETACH AND RETAIN THIS STATEMENT  
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.  
IF NOT RECEIVED PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

INVOICE		DESCRIPTION	TOTAL AMOUNT	DEDUCTIONS		NET AMOUNT
DATE	NO.			DISCOUNT	FREIGHT	
		Application for permit to drill Ancon-Santa Fe #21, Sec. 31-20N- 28E, Apache Co., Arizona.				\$25.00

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